

## **IX. FOOD DELIVERY/FOOD INSTRUMENT (FI) and CASH VALUE VOUCHER/CASH VALUE BENEFIT (CVVCVB) ACCOUNTABILITY AND CONTROL**

**(Please indicate)** State Agency: AR for FY 2015

Food delivery/food instrument (FI) and cash value voucher/cash value benefit (CVV/CVB) accountability and control involve the production, issuance, redemption, and monitoring of automated and manual food instruments, as well as CVVs/CVBs, through retail systems and the delivery of WIC Program foods by non-retail methods, i.e., home delivery and direct distribution.

### **Retail Food Delivery Systems**

- A. Food Instrument/CVV/CVB Control Overview - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), and (a)(14)(xii):** describe the policies and procedures used by the State agency in producing, monitoring and accounting for the use of food instruments and cash-value vouchers.
- B. Food Instrument/CVV/CVB Pick-up and Transaction - 246.4(a)(11)(iii) and (a)(14)(vi):** describe the State agency's procedures for issuing food instruments and CVVs/CVBs to participants, including procedures for verification, prorating food packages, training and proxy policies.
- C. Food Instrument/CVV/CVB Redemption and Disposition - 246.4(a)(14)(vi):** describe the procedures used to reconcile food instruments and CVVs/CVBs as either issued or voided, and as either redeemed or unredeemed, and redeemed food instruments and CVVs/CVBs as either validly issued, lost or stolen, expired, duplicate, or not matching issuance records.
- D. Manual Food Instruments and CVVs/CVBs - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi) and (a)(14)(ix):** describe the procedures for issuing and accounting for manual food instruments and CVVs/CVBs, including the procedures for documentation and disposition.
- E. Special Food Instrument and CVV/CVB Issuance Accommodations - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), (a)(14)(ix), (a)(14)(xiv) and (a)(21):** describe alternatives to participant food instrument and CVV/CVB pick-up for issuance (e.g., mail or electronic issuance) and how the integrity of program services and fiscal accountability is ensured.
- F. Vendor Cost Containment System Certification – 246.4(a)(14)(xv), 246.12(g)(4)(vi):** describe the competitive pricing and reimbursement methods that the State agency will implement to ensure that average payments per food instrument to above-50-percent vendors do not exceed average payments per food instrument to comparable regular vendors.

### **Non-Retail Food Delivery Systems**

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- G. *Home Food Delivery Systems* - 246.4(a)(11)(iii), 246.4(a)(14)(i), (a)(14)(vi), (a)(14)(vii) and (a)(14)(xii):** describe how the State agency's home delivery system operates including but not limited to the types of authorized home food delivery contractors, the frequency of deliveries, and the procedures for documenting deliveries and ensuring safe food delivery of WIC foods, if applicable.
- H. *Direct Distribution Food Delivery Systems* - 246.4(a)(11)(iii), (a)(14)(i), and (a)(14)(vi), (a)(14)(vii), and (a)(14)(xii):** describe the methodology and procedures used in the direct distribution of supplemental foods, including types of foods distributed, warehouse and distribution centers, the verification process, and assurance of food safety, as applicable.

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI) and CASH VALUE VOUCHER/CASH VALUE BENEFIT (CVV/CVB) ACCOUNTABILITY AND CONTROL**

**A. Food Delivery and Food Instrument/Cash-Value Voucher Control Overview**

**1. Food Instruments and Cash Value Vouchers/Cash Value Benefits - General**

**a. The State agency uses the following types of FIs and CVVs/CVBs (check all that apply):**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Automated - point of certification | <input type="checkbox"/> Automated -central generation |
| <input type="checkbox"/> Manual - individual prescription              | <input type="checkbox"/> EBT                           |
| <input type="checkbox"/> Pre-printed manual - standard prescription    | <input type="checkbox"/> Other (specify): _____        |

**b. The State agency conducts FI and CVV/CVB inventories: (Place an S=[State agency] or L=[Local agency] under the appropriate column to designate primary responsibility):**

Automated	Manual
Daily	Daily
Weekly	Weekly
Monthly	Monthly
Yearly	Yearly
Other (specify): <u>State agency sends blank check stock on request; keeps copy of request form and sends return receipt to LHU. LHU is required to keep blank check stock secure.</u>	
Other (specify): _____	

**c. The automated FI and CVV/CVB contains/allows for the following information (check all that apply):**

- |  |   |
|--|---|
| <input type="checkbox"/> Not applicable                                    | <input type="checkbox"/> Local agency identifier              |
| <input checked="" type="checkbox"/> Participant WIC ID number              | <input checked="" type="checkbox"/> Vendor/farmer endorsement |
| <input checked="" type="checkbox"/> Countersignature for participant/proxy |   |

**Provide a facsimile or FI and CVV/CVB in Appendix or cite Procedure Manual:**  
Arkansas WIC Program Cashier and Bookkeeper Guide, p. 5

**d. The State agency provides a toll-free number on the FI and cash-value voucher or EBT card and/or card sleeve for participant/vendor/farmer inquiries:**

- ☐ Food Instrument      ☐ Cash-value voucher      ☐ EBT Card/Sleeve      ☒ Neither

**ADDITIONAL DETAIL: Food Delivery Appendix**  
**and/or Procedure Manual (citation): AR WIC Policy WIC-91**

**2. Food Instrument/Cash Value Voucher Accountability**

**a. FIs/CVV are delivered to local agencies by:**

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**A. Food Delivery and Food Instrument/Cash-Value Voucher Control Overview**

- |  |  |
|--|--|
| <input type="checkbox"/> State agency staff                              | <input type="checkbox"/> Local agency staff            |
| <input type="checkbox"/> US Postal Service                               | <input checked="" type="checkbox"/> On-demand printing |
| <input type="checkbox"/> Contracted service (e.g., UPS, Purolator, etc.) |  |
| <input type="checkbox"/> Other (specify): _____                          |  |

**b. FIs and CVVs (blank stock and preprinted ready for issuance) are delivered to the local agency (check all that apply):**

- | <b>Blank</b>   | <b>Preprinted</b>                                  |
|--|--|
| <input type="checkbox"/> Not applicable                                  | <input checked="" type="checkbox"/> Not applicable |
| <input type="checkbox"/> Weekly  | <input type="checkbox"/> Weekly                    |
| <input type="checkbox"/> Twice a month                                   | <input type="checkbox"/> Twice a month             |
| <input type="checkbox"/> Once a month                                    | <input type="checkbox"/> Once a month              |
| <input type="checkbox"/> Once every two months                           | <input type="checkbox"/> Once every two months     |
| <input checked="" type="checkbox"/> Other (specify): <u>As requested</u> | <input type="checkbox"/> Other (specify): _____    |

**c. The State agency uses the following procedures to ensure that unclaimed FIs or CVVs are not being used fraudulently (check all that apply):**

- ☐ Signatures on the documentation of receipt are compared for similarities in writing style implying one person signed for multiple participants
- ☐ Local agencies conduct an initial review to void food instruments or CVVs for participants known to have been terminated from the Program
- ☐ Inventories of food instruments/CVV are not conducted by the same local agency staff responsible for issuing/voiding food instruments/CVV
- ☐ Procedures are in place to ensure the proper disposal of unused/duplicate/voided FIs and CVVs
- ☒ Other (specify): On demand printing/no unclaimed.

**ADDITIONAL DETAIL: Food Delivery Appendix**  
**and/or Procedure Manual (citation):** AR WIC Policy WIC-91

**3. The State agency has established food delivery procedures in cases of natural disaster and emergencies for the following (check all that apply):**

- |  |  |
|--|--|
| <input type="checkbox"/> Manual Issuance     | <input type="checkbox"/> Automated issuance  |
| <input type="checkbox"/> Mailing             | <input type="checkbox"/> Home food delivery  |
| <input type="checkbox"/> Direct distribution | <input checked="" type="checkbox"/> Other (specify): <u>Specific actions determined by</u> |

disaster or emergency.

**ADDITIONAL DETAIL: Food Delivery Appendix**  
**and/or Procedure Manual (citation):** AR WIC Policy WIC-92

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**B. Food Instrument/Cash-Value Voucher Pick-up**

**1. Food Instrument/Cash Value Voucher/Cash Value Benefit Pick-Up Policy and Procedures**

**a. Food instruments/CVV/CVBs are issued by (check all that apply):**

	<b>All Locals</b>	<b>Most Locals</b>	<b>Some Locals</b>
Local agency director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local agency nutritionist	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local agency paraprofessional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clerical staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(specify): <u>All CPAs</u>			

**b. The State agency utilizes a participant identification card:**

☒ Yes    ☐ Yes, with photo    ☐ No

**If yes, issuance is controlled numerically and each card is accounted for:**

☐ Yes    ☒ No

**c. The State agency requires the following proof of receipt when issuing automated food instruments/CVV/CVBs:**

- ☐ Participant/parent/caretaker/proxy signature block on register confirming receipt
- ☐ Carbon copy of food instrument/CVV
- ☐ Local agency staff initials
- ☐ Date of food instrument/CVV pick-up
- ☐ Stub with participant signature or initials
- ☒ Other (specify): Automated signature pads; MIS records date of issuance.

**d. The State agency has a policy to prorate food packages for the following:**

- ☒ Late FI/CVV pick-up
- ☐ Mid-month certification
- ☐ Certification due to expire within 30 days
- ☒ Other (specify): With transition to calendar month issuance (10/13/14), food packages will be prorated if certifying after the 20<sup>th</sup> of the month.

**e. The State agency requires local agency staff to provide each new participant/parent/caretaker/proxy with training in (check all that apply):**

- ☒ Authorized vendors/farmers
- ☒ FI transaction procedures
- ☒ Use of proxy
- ☐ Other (specify): \_\_\_\_\_
- ☒ Selecting WIC-approved foods
- ☒ Signature on FIs/CVV
- ☒ Reporting problems/requesting assistance

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**B. Food Instrument/Cash-Value Voucher Pick-up**

- f. The State agency requires local agency staff to provide participants with a list of authorized vendors/farmers/farmers' markets:

☒ Yes    ☐ No

- g. The State agency permits a participant to transact food instruments and CVVs/CVBs with any authorized vendor or farmer/farmers' market in the State:

☒ Yes    ☐ No

If "no," the State agency will eliminate its vendor- or farmer/farmers' market-specific system on (date): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation): AR WIC Policy WIC-97**

2. The State agency's proxy policy includes the following:

- ☐ Limits the number of participants a single proxy may sign for, except that a proxy may pick up FIs/CVVs/CVBs for all homeless WIC participants in a facility
- ☐ Limits proxy to a specified number of FI/CVV/CVB pick-ups
- ☐ Limits proxy to a minimum age
- ☐ Limits proxy assignment to local WIC staff    ☒ Other (specify): Allow 2 proxies; a proxy cannot be a proxy for more than 2 households.

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation): AR WIC Policy WIC-29**

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**C. Food Instrument/Cash-Value Voucher Redemption and Disposition**

**1. Food Instrument/Cash Value Voucher Disposition Procedures**

**a. The State agency system assures 100% disposition of all issued FI's and CVVs**

☒ Yes    ☐ No

**If no, specify the circumstances that prevent 100% disposition: \_\_\_\_\_**

**b. The State agency monitors each local agency's:**

- ☐ Number of manual FIs/CVVs utilized
- ☐ Number of unclaimed FIs/CVVs
- ☒ Number of voided FIs/CVVs
- ☒ Number of redeemed FIs/CVVs with no issuance record

**c. Local agencies are supplied with a report on the final disposition of its FIs/CVVs:**

☐ Yes (specify period): \_\_\_\_\_    ☒ No

**ADDITIONAL DETAIL: Food Delivery Appendix I. IFDMP XIV. WIC Check and CVB  
Processing and Security  
and/or Procedure Manual (citation): AR WIC Policy WIC-92**

**2. Unclaimed, Voided, Prorated FIs/CVVs**

**a. The State agency requires local agencies to return "unclaimed/not picked up"  
FIs/CVVs:**

☒ Not applicable    ☐ Daily    ☐ Weekly    ☐ Monthly  
☐ Other (specify): \_\_\_\_\_

**b. The State agency requires local agencies to return "voided" FIs/CVVs:**

☐ Not applicable    ☐ Daily    ☐ Weekly    ☐ Monthly  
☒ Other (specify): Retain in LHU; filed by first date to use order.

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation) : AR WIC Policy WIC-92**

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**C. Food Instrument/Cash-Value Voucher Redemption and Disposition**

**3. Lost/Stolen Food Instruments/Cash Value Vouchers**

**a. The State agency requires local agencies to report lost/stolen FIs/CVV to (check all that apply):**

- ☒ State agency ☐ Police department  
☐ State agency's banking institution ☐ Other (specify): \_\_\_\_\_

**b. Replacement/duplicate FIs/CVV are issued when FIs/CVV are reported lost:**

- ☒ No  
☐ Depends on the circumstances  
☐ Yes (If FIs/CVV are reissued, it is done):  
☐ Immediately  
☐ Following notification of State agency/bank agency  
☐ After a \_\_\_\_\_ day waiting period (specify number of days)

**c. Replacement/duplicate FIs/CVV are issued when they are reported stolen:**

- ☐ No  
☒ Depends on the circumstances  
☐ Yes (If FIs/CVV are reissued, it is done):  
☐ Immediately  
☐ Following notification of State agency/bank agency  
☐ After \_\_\_\_\_ day waiting period (specify # days)

**d. The State agency or its banking institution takes the following action after it is notified by the local agency of lost/stolen FIs/CVV (check all that apply):**

- ☐ Stops payment on the lost/stolen FIs/CVV  
☐ Notifies vendor or farmer  
☒ Other (specify): LHU enters stolen status for FI/CVB in the MIS; state agency

monitors for redemption on monthly basis through the voided/stolen and redeemed report.

**Please provide a copy/citation for State agency's policy procedures that ensure that lost/stolen FIs/CVV cannot be redeemed. The state agency cannot prevent a lost/stolen check from being redeemed. If entered as lost/stolen in the MIS and later redeemed, the FI/CVB will appear on the voided/stolen and redeemed report and will be investigated.**

**e. The local agency documents in the participant's file that replacement FIs/CVV were issued:**

- ☒ Yes ☐ No



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- f. The State agency monitors the level of reported lost/stolen FIs/CVV by local agency:**

☒ Yes      ☐ No

- g. If it is established that lost/stolen FIs/CVV are transacted by the participant who reported them lost/stolen, the following actions are taken:**

- ☐ A claim for cash repayment is issued to participant  
☐ Participant is disqualified  
☒ Participant receives a warning  
☒ Other (specify): If stolen FI/CVB is replaced and both the stolen and replacement FI/CVB are redeemed by the participant/authorized representative/proxy, a claim will be made for the replacement FI/CVB; participant may be disqualified.

- h. If lost/stolen FIs/CVV are transacted by someone other than the participant, the following actions are taken:**

- ☐ Reported to police for investigation  
☒ State agency or local agency does an investigation  
☐ Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation): AR WIC Policy WIC-114**

**4. FIs/CVV Redemption Screening (7 CFR 246.12(k)(1))**

- a. Describe in detail how the State agency sets maximum allowable reimbursement levels for use in screening food instruments for payment (including whether the State agency uses vendors' shelf prices to set maximum reimbursement levels and how reimbursement levels are linked to competitive price criteria). If the State agency sets maximum allowable amounts differently for above-50-percent vendors and regular vendors, please explain the different methods used.**

**(1) The State agency establishes maximum allowable reimbursement levels for:**

- |   |   |                             |
|---|---|-----------------------------|
| (a) Each peer group                       | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (b) Each food instrument or food category | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (c) Other (please specify): _____         | Yes <input type="checkbox"/>            | No <input type="checkbox"/> |

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**C. Food Instrument/Cash-Value Voucher Redemption and Disposition**

**(2) The State agency establishes maximum allowable reimbursement using:**

**(a) Standard deviations** Yes ☐ No ☒

If yes, specify the standard deviation number and explain how the State agency determined the standard deviation it used is appropriate: \_\_\_\_\_

**(b) A percentage above the average redemption amount** Yes ☒ No ☐

If yes, specify the percentage and explain how the State agency determined that this percentage is appropriate. 112% The State determined that the competitive price selection criteria should include up to a 10% increase over the peer group average to allow individual vendors the ability to qualify for the program and still be competitive in their market area. The Maximum Allowable Reimbursement (MAR) includes an additional 2% buffer to address temporary shelf price increases, bringing the MAR total to 112%.

**(c) Other (please specify)** Yes ☐ No ☒

\_\_\_\_\_

**(3) The allowable reimbursement levels include a factor to reflect:**

☒ Yes ☐ No Wholesale price fluctuations; explain: The MAR includes a 2% buffer to address temporary shelf price increases, bringing the MAR total to 112%.

☐ Yes ☒ No Inflation; explain: \_\_\_\_\_

☐ Yes ☒ No Other (please specify: \_\_\_\_\_ )

**b. The State agency screens FIs/CVV through a pre-edit (before payment) or post-edit (after payment) process to detect the following:**

Not Applicable	Pre-Edit Screen	Post-Edit Screen	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Purchase price exceeds price limitations (FI only)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Purchase price missing
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Altered purchase price
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Vendor/farmer identification missing
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Invalid/counterfeit vendor/farmer identification
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Transacted before specified period
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Transacted after specified period
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Redeemed after specified period
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Altered dates
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Missing signature
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mismatched signature
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Altered signature
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Other (specify): <u>Illegible vendor ID; purchase price</u>

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ACCOUNTABILITY AND CONTROL**

**C. Food Instrument/Cash-Value Voucher Redemption and Disposition**

exceeds pre-printed price limits (CVB); vendor  
bank encoding error

- c. **When the payment amount on a food instrument exceeds the maximum allowable reimbursement amount, what action does the State agency take?**

- ☐ Reimburses the vendor for amounts up to the maximum allowable amount  
☐ Rejects the food instrument, but allow the vendor to resubmit  
☐ Rejects the food instrument without allowing the vendor to resubmit  
☒ **Other (please specify):** Rejects the FI/CVB but automatically pays up to the MAR at the end of the week through an Automated Clearing House (ACH) process.

- d. **Where pre-edit screens are used, the proportion of FIs/CVVs reviewed include:**

- ☒ All FIs/CVVs      ☐ Percentage of FIs/CVVs (\_\_\_\_\_%)  
☐ Other: (please specify): \_\_\_\_\_

- e. **The edit system(s) that screens for price limitations and vendor overcharges rejects food instruments based on:**

**Pre-edit      Post-edit**

- |                                     |                          |                                   |
|-------------------------------------|--------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Not To Exceed or Maximum Prices   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Percentage above average (_____%) |
| <input type="checkbox"/>            | <input type="checkbox"/> | Amount above average (\$_____) )  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Other (specify): _____            |

- f. **The following actions are used to control against unauthorized stores redeeming FIs/CVVs:**

- ☒ Provide up-to-date list of authorized vendors to participants at certification and/or FI issuance  
☒ Recover vendor/farmer/farmers' market stamp when vendor/farmer/farmers' market is no longer authorized  
☐ Conduct compliance buy to verify if unauthorized store redeems FIs/CVVs  
☒ State agency or its banking institution checks vendor/farmer/farmers' market ID numbers on food instruments submitted for redemption against the authorized vendor/farmer/farmers' market list before paying vendors/farmers/farmers' markets for FIs/CVVs submitted for redemption  
☐ Inform all participants who might use the unauthorized store  
☐ Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix: I. IFDMP XIV. WIC Check and CVB Processing and Security and/or Procedure Manual (citation):**

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**5. Price Lists**

**a. Price list information is routinely collected from vendors:**

☒ Yes      ☐ No; Explain: \_\_\_\_\_ (Proceed to item #6)

**b. Price list data are collected:**

- ☐ Monthly  
☐ Quarterly  
☐ Semiannually  
☒ Other (specify): 3 times per year; and ad hoc if high volatility

**c. Price data are collected by:**

- ☐ State agency staff  
☐ Local agency staff  
☐ Reports are submitted by vendors  
☒ Other (specify): 2 times per year reported by vendors; 1 time per year collected by WIC staff during routine monitoring visit

**d. The data collected has food prices for (check all that apply):**

- ☐ All brands and sizes of supplemental foods  
☒ Highest price supplemental food items within food categories  
☒ All authorized vendors  
☐ A sample of authorized vendors (please describe the sampling method used): \_\_\_\_\_  
☐ Other (specify): \_\_\_\_\_

**e. The ☒ State agency/ ☐ local agency verifies price data provided by vendors:**

- ☐ During routine monitoring visits  
☐ Does not verify on a routine basis  
☒ If the vendor is identified as a high-risk vendor  
☐ Other (explain): \_\_\_\_\_

**f. The ☒ State agency/ ☐ local agency analyzes price data:**

- ☐ Manually on a routine or as needed basis  
☒ On an ADP system and uses it to:  
    ☒ Generate estimated food instrument values  
    ☒ Help inform WIC staff on vendor selection decisions  
    ☒ Develop vendor peer groups  
    ☐ Flag individual food instruments that appear to be overcharges

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☒ Other (specify): Current MIS price survey system is not working according to state system needs. Using manual (Excel) system until MIS system can be verified.

**6. System to Detect Suspected Overcharges**

**a. Does the State agency screen for suspected overcharges:**

- ☐ Yes, vendor claims are issued for overcharges.  
☐ No, the State agency makes price adjustments to food instruments submitted for redemption at amounts above edit limits  
☐ No  
☒ Other (specify): Bank automatically edits for over the maximum for FIs/CVBs; pays only at the MAR. State agency manually reviews for and issues claims for overcharges if any discovered on compliance buys, check reviews, or if bank edit has to be suspended temporarily.

**b. The following best describes how the vendor is billed for overcharges:**

- ☐ Based on the vendor's reported prices  
☐ Based on redemption values of other vendors in the vendor's peer group  
☐ Based on redemption values of all vendors  
☒ Other (specify): A claim is made for the entire redeemed amount of the FI/CVB.

**c. To receive payment or justify and correct a claim for a price adjustment or vendor overcharge, the vendor must: (Check all that apply)**

- ☐ Provide an updated price list  
☐ Provide written justification for the higher prices  
☒ Provide receipts  
☐ Other (specify): \_\_\_\_\_

**d. The following actions are taken when a vendor has chronic overcharging problems: (Check all that apply)**

- ☐ Routine monitoring or remedial vendor training is conducted  
☐ Vendor is designated as high-risk and scheduled for compliance investigation  
☒ Vendor is provided with a written warning of potential sanction for overcharging  
☐ Vendor is terminated for cause  
☐ Vendor is sanctioned  
☒ Other (specify): Three-year disqualification for three documented incidents within a period of three years.

**ADDITIONAL DETAIL:** Vendor Management: Appendix I. IFDMP, Appendix C & E; Vendor Participation Agreement & Handbook, Sept 1, 2012 to Aug. 31, 2015, Section IV., #5 and Handbook Section IV. **and/or Procedure Manual (citation):**

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**D. Manual Food Instruments/Cash-Value Vouchers**

☒ **DOES NOT APPLY (PROCEED TO NEXT SECTION)**

**1. Manual FIs/CVV Policy**

**a. Manual FIs/CVV are utilized for the following reasons:**

- ☐ New participants
- ☐ Automated FIs/CVV not available
- ☐ Mutilated automated FIs/CVV
- ☐ Wrong food package on automated FI
- ☐ Wrong dollar amount on automated CVV
- ☐ Provide for the special needs of the homeless
- ☐ Food package tailoring
- ☐ Routine monitoring visits (i.e., educational buys) of vendors/farmers
- ☐ Compliance buys of vendors/farmers
- ☐ Special conditions, e.g., disasters
- ☐ Other (specify): \_\_\_\_\_

**b. The State agency requires the following for completing the manual FI/CVV register:**

- ☐ Participant/proxy signature
- ☐ Local agency staff initials
- ☐ Date of FI/CVV pick-up
- ☐ other (specify): \_\_\_\_\_

**c. Manual FIs/CVV have a "Not to Exceed Value" of:**

- ☐ Same dollar amount for all manual food instruments \$\_\_\_\_\_
- ☐ Variable dollar amount depending on type of prescription on manual FI
- ☐ Variable dollar amount depending on participant category on manual CVV
- ☐ No limit
- ☐ Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation):**

**2. Manual FI/CVV Documentation and Disposition**

**a. A report containing the serial numbers of manual FIs/CVV issued by local agencies  
is sent to the State agency:**

- ☐ Not applicable
- ☐ Weekly
- ☐ Monthly
- ☐ Other (specify): \_\_\_\_\_

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**D. Manual Food Instruments/Cash-Value Vouchers**

- b. Local agencies are required to provide documentation to substantiate a valid or invalid certification record for manual FIs/CVVs issued and redeemed but for which no participant record currently exists by utilizing:**

- ☐ Turnaround documents to establish valid certification records  
☐ Telephone calls to the State/local agency on irregularities  
☐ Other (specify): \_\_\_\_\_

- c. If the manual FI/CVV inventories do not achieve 100% reconciliation of all issued and unissued FIs/CVVs, the local agency (check all that apply):**

- ☐ Reports the FI/CVV serial numbers to the State agency  
☐ Provides the FI/CVV serial numbers to local vendors/farmers  
☐ Other (specify): \_\_\_\_\_

**(Provide a copy/citation of the State agency's prescribed procedures if the manual FI/CVV inventory cannot be reconciled.)**

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation):**

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV)  
ACCOUNTABILITY AND CONTROL**

**E. Special FI/CVV Issuance Accommodations**

**1. Alternative FI/CVV Issuance**

**a. The State agency has implemented the following FI/CVV issuance policy (check all that apply):**

- ☒ All participants are required to pick up FIs/CVVs/CVB cards at the clinic or local agency, except in unusual circumstances
- ☒ Participants/proxies are required to show identification at FI/CVV/CVB card pick up
- ☐ FI/CVV/CVB cards are routinely mailed to participants except (1) when the participant is scheduled for nutrition education (including breastfeeding promotion and support activities) or a certification appointment and (2) in areas where SNAP benefits are not mailed, as these areas are known to have experienced high mail issuance losses
- ☐ Benefits are provided electronically to a location such as a grocery store under certain conditions; thus participants may not always pick up FIs/CVVs at the clinic
- ☐ Other (specify): \_\_\_\_\_

**2. Mailing Policy/Procedures**

**a. The State agency provides local agencies with guidelines/procedures for mailing FIs/CVVs/CVB cards to individual participants:**

- ☒ Yes      ☐ No

**b. Policy requires participants to pick up FIs/CVVs whenever certification appointment is due or nutrition education (including breastfeeding promotion and support activities) is scheduled:**

- ☒ Yes      ☐ No

**c. The State agency has implemented the following policy regarding mailing FIs/CVVs/CVB cards (check all that apply):**

- ☒ FIs/CVVs/CVB cards are sent first class mail \*(first class is considered *regular* mail)
- ☐ FIs/CVVs/CVB cards are sent registered mail
- ☐ FIs/CVVs/CVB cards are sent certified mail
- ☐ FIs/CVVs/CVB cards are sent restricted mail
- ☐ Return receipt is requested on FIs/CVVs/CVB cards sent certified mail
- ☒ Envelope specifies, "Do not forward, return to sender" or "Do not forward, address correction requested"
- ☐ Other (specify): \_\_\_\_\_



**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV)  
ACCOUNTABILITY AND CONTROL**

**E. Special FI/CVV Issuance Accommodations**

- d. The State agency approves mailing FIs/CVVs/CVB cards under the following conditions  
(check all that apply):**

	<b>State- Wide</b>	<b>LA with SA Approval</b>	<b>Case by Case</b>
Participant hardship	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel-related issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Better clinic management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Participant safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Participant convenience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost effectiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(if other, specify): _____			

- e. When mailing FIs/CVVs/CVB cards, documentation of FI/CVV/CVB card issuance is:**

- ☐ Signed by the participant at the following FI/CVV/CVB card pick-up/visit  
☐ Noted "mailed" and initialed/dated by local agency staff  
☐ Signed and dated by local agency staff after return receipt is received  
☒ Other (specify): Documentation of reason, who requested, address mailed to, date mailed and issuance personnel

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation): AR WIC Policy WIC-96**

- 3. Participants who receive FIs/CVVs/CVB cards by mail are sent:**

- ☒ One month of FIs/CVVs/CVBs ☐ Two months of FIs/CVVs  
☐ Three months of FIs/CVVs ☐ Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation): AR WIC Policy WIC-97**

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV)  
ACCOUNTABILITY AND CONTROL**

**F. Vendor Cost Containment System Certification**

If the State agency has authorized or plans to authorize any above-50% vendors, FNS must certify the State agency's vendor cost containment system. The State agency that has not yet received FNS certification must submit a request for certification/recertification that contains the following information.

☒ **DOES NOT APPLY (PROCEED TO SECTION G)**

**1. Calculation of new competitive price levels**

Describe how the State agency derived or will derive new competitive price levels for regular vendors, which exclude the prices of above-50-percent vendors.

**2. Allowable reimbursement levels for regular vendors and above-50-percent vendors**

**a. Explain how the State agency will ensure that average payments to above-50-percent vendors do not exceed average payments to comparable regular vendors.**

\_\_\_\_\_

**b. The State agency plans to exempt above-50-percent vendors from the competitive price criteria and allowable reimbursement levels.**

☐ Yes    ☐ No

If yes, how many vendors will be exempted? \_\_\_\_\_

Are these vendors needed to ensure participant access to supplemental foods?

☐ Yes    ☐ No

**c. The State agency applies peer-group-specific maximum allowable reimbursement levels to food instruments during the food instrument redemption process.**

☐ Yes    ☐ No

If yes, describe the procedure or process used:

\_\_\_\_\_

**3. Describe the State agency's methodology for grouping above-50-percent vendors in its peer group system (i.e., separately or in peer groups with regular vendors) and the criteria the State agency uses to identify comparable vendors for each group of above-50-percent vendors.**

\_\_\_\_\_

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV)  
ACCOUNTABILITY AND CONTROL**

**F. Vendor Cost Containment System Certification**

- 4. The State agency plans to exempt *non-profit* above-50-percent vendors from competitive price criteria and allowable reimbursement levels.**

☐ Yes ☐ No

If yes, provide the following information **in detail**:

- a. The reason the State agency has decided to exempt such vendors (i.e., the benefits to the program) and the number of non-profit vendors to be exempted;**

\_\_\_\_\_

- b. The reason the non-profit above-50-percent vendors are needed to ensure participant access to supplemental foods;**

\_\_\_\_\_

- c. Does the State agency collect shelf prices from non-profit vendors?**

☐ Yes ☐ No

- d. How the prices of the non-profit vendors compare to those of other vendors in their geographic area that are subject to competitive price criteria and allowable reimbursement levels; and**

\_\_\_\_\_

- e. How the State agency will establish the level of reimbursement for the non-profit above-50-percent vendors that it has exempted.**

\_\_\_\_\_

- 5. The State agency has fully implemented the competitive price criteria and allowable reimbursement methodologies described in items 1 and 2 above.**

☐ Yes ☐ No

If the State agency has not fully implemented the revised competitive price and allowable reimbursement methodologies, describe the current status of this effort and include the timetable for achieving full implementation.

\_\_\_\_\_

- 6. The State agency plans to exempt *pharmacy* vendors from competitive price criteria and allowable reimbursement levels.**

☐ Yes ☐ No

If yes, the State agency has confirmed that these pharmacies provide **only** exempt infant formula and/or WIC-eligible medical foods to program participants.

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV)  
ACCOUNTABILITY AND CONTROL**

**F. Vendor Cost Containment System Certification**

7. Does the State agency collect shelf prices from pharmacies that provide only exempt infant formula?

☐ Yes    ☐ No

8. **Complete the three tables on the following pages to demonstrate that the State agency's procedure for establishing and implementing competitive price criteria and allowable reimbursement levels ensures that average payments per food instrument or food item to above-50% vendors do not exceed average payments to regular vendors.**
9. **Attach a copy of the report(s) that the State agency will use to monitor average payments per food instrument to above-50% vendors and regular vendors. If the State agency does not have such a report, describe the State agency's plans to develop and implement a report(s) for monitoring purposes, including the report contents or fields.**
- \_\_\_\_\_

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**  
**F. Vendor Cost Containment System Certification**

*Table 1. Data for WIC Vendor Cost Containment Certification – Overview*

*Please provide the following information on the regular vendors and the above-50-percent vendors authorized by the State agency as of June 30<sup>th</sup>. If data are not available through June 30<sup>th</sup>, the State agency should enter data for the period for which data are available, replacing “June” with the month to which the data are applicable.*

1. How many authorized regular vendors did the State agency have as of June 30 <sup>th</sup> ? (or month of: _____)	1.
2. For all of these regular vendors combined, what was the total amount of WIC redemptions paid in June 30?	2.
3. How many above-50-percent vendors did the State agency have as of June 30 <sup>th</sup> ?	3.
a. Non-pharmacy above-50-percent vendors <ul style="list-style-type: none"> <li>▪ Number of <i>WIC-only</i> stores</li> <li>▪ Number of other types of above-50-percent vendors (excluding pharmacies)</li> </ul> b. Above-50-percent pharmacy vendors c. Total above-50-percent vendors (sum of a and b)	a. ▪ ▪ b. c.
4. What was the total amount of redemptions paid to these above-50-percent vendors in June? a. Non-pharmacy above-50-percent vendors b. Above-50-percent pharmacy vendors c. Total above-50-percent vendors	4. a. b. c.
5. How many peer groups of above-50-percent vendors (either separate peer groups or groups with regular vendors) has the State agency identified?	5.
6. How many above-50-percent vendors and regular vendors has the State agency authorized that do <u>not</u> meet competitive price criteria, but are needed to ensure participant access to supplemental foods?	6. above-50%: _____ regular vendors:_____

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**  
**F. Vendor Cost Containment System Certification**

*(Note: If the State agency has completed the peer group table in the Vendor Management section of this Guidance, skip the following table.)*

**Table 2: Data for WIC Vendor Cost Containment Certification – Peer Group Structure**

*Please describe all vendor peer groups and identify the regular vendors that are comparable to each group of above-50-percent vendors. The information provided should refer to the peer group system as structured to comply with regulatory vendor cost containment requirements.*

Peer Group					Comparable Vendors Peer Group No. (from Col1) (Col6)
Peer Group No. (Col1)	Description (e.g., supermarkets, chain stores, pharmacies) (Column 2)	Number of Vendors in Peer Group			
		Regular Vendors (Col3)	Above-50% Vendors (Col4)	Total (Col5)	
1					
2					
3					
4					

**Instructions:**

**Column 1 –** Assign a sequential number to each peer group.

**Column 2 –** Describe the vendors in the peer group.

**Column 3 –** Insert the number of authorized vendors that are regular vendors.

**Column 4 –** Insert the number of above-50-percent vendors currently authorized.

**Column 5 –** Insert the total number of authorized vendors. This number should be the sum of columns 3 and 4, since the State agency must identify each vendor as being either a regular vendor or an above-50-percent vendor.

**Column 6 –** For each peer group that contains above-50-percent vendors, insert the number of the peer group that contains comparable regular vendors. The comparable vendor peer group is the peer group that the State agency uses to derive the competitive price criteria and maximum reimbursement levels that it applies to the above-50-percent vendors. If above-50-percent vendors are placed in a peer group with regular vendors, then the number in column 1 should be the same as that in column 6. If above-50-percent vendors are in separate peer groups, then the number in column 1 will be different from that in column 6.

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**  
**F. Vendor Cost Containment System Certification**

*Table 3: Data for WIC Vendor Cost Containment Certification – Average Payments to Vendors*

*Using the format below, provide the latest available redemption data for the ten (10) most frequently redeemed food instrument types. Then indicate how these amounts have changed or will change with the implementation of the revised competitive price criteria and allowable reimbursement amounts. Prepare a separate table for each group of above-50-percent vendors identified in Table 2.*

**Chart for: Above-50-Percent Vendors in Peer Group No.**

Food Instrument Type/Number and Description (1)	Number of Food Instruments Redeemed (2)	Average Redemption Price and Standard Deviation Per FI or item for (Insert Month & Year):				Difference in Average Redemption Prices Between Above-50% Vendors and Comparable Regular Vendors (5)	Average Redemption Price Per Food Instrument or Food Item for (Insert Month & Year):	
		Above-50% Vendors (3)		Comparable Regular Vendors (4)			Above-50% Vendors (6)	Comparable Regular Vendors (7)
		Price	Std. Dev.	Price	Std. Dev.			

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**  
**F. Vendor Cost Containment System Certification**

**Instructions:**

Begin by identifying the above-50-percent vendors to which the data in the chart refer. Insert the peer group number for the above-50-percent vendors and write it on the line at the top of the chart. All data in the chart should pertain only to the above-50-percent vendors in the peer group and the comparable regular vendors. Complete a separate table for each group of above-50-percent vendors and comparable regular vendors identified in the table 2.

- Column 1 – Insert the food instrument (FI) type or number and list the foods included on the FI. Include no more than two infant formula food instrument types, but complete the chart using the next most frequently redeemed food instrument types.
- Column 2 – For each type of FI identified in column 1, insert the number of food instruments redeemed (paid) in June (the calendar month). If the State agency implemented competitive price criteria and allowable reimbursement levels that comply with the new vendor cost containment requirements before June, then select the calendar month before the State agency applied the new competitive price criteria and allowable reimbursement levels.
- Columns 3 & 4 – Insert the average food instrument redemption amount and the standard deviation for the above-50-percent vendors and for the regular vendors that the State agency has identified in Table 2 as comparable vendors. As an alternative to providing average payments to comparable regular vendors, the State agency may enter average payments to all regular vendors. If the State agency provides data for all regular vendors rather than average payment to comparable vendors, indicate this on the table or in the accompanying narrative.
- Column 5 – Subtract the amount in column 4 from the amount in column 3 and enter the difference here. If the amount in column 3 is less than that in column 4, enter the difference as a negative dollar amount.
- Column 6 – Insert the average food instrument redemption amount for above-50-percent vendors *after* the State agency has applied the revised competitive price criteria and allowable reimbursement levels. If the State agency has implemented new competitive price criteria and allowable reimbursement levels before submitting its request for certification to FNS, then the data in column 6 should be actual redemption data for the above-50-percent vendors and comparable regular vendors. Insert the calendar month(s) to which the data pertain. If the State agency does not have actual redemption data, then the State agency must estimate the new average redemption amounts.
- Column 7 – Insert the average redemption amounts for the corresponding group of comparable vendors. If the State agency has not yet implemented its revised methodologies, insert the target date to which the estimated average redemption amounts would apply. In the narrative that accompanies this data, discuss in detail the rationale for the State agency's estimated average redemption amounts in columns 6 and 7. The average redemption amount for above-50-percent vendors may not exceed the average redemption amount for comparable vendors.



**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**G. Home Food Delivery Systems**

☒ **DOES NOT APPLY (PROCEED TO NEXT SECTION)**

**1. Home Food Delivery Systems Overview**

**a. Home delivery vendors include (check all that apply):**

- ☐ Dairies
- ☐ Private delivery service doing WIC business only
- ☐ Private delivery service
- ☐ Other (specify): \_\_\_\_\_

**b. Participants who receive home food delivery:**

- ☐ Are notified in writing of the types and quantities of foods
- ☐ Are issued FIs/CVV's that they sign and provide to the vendor when the food is delivered
- ☐ Are delivered not more than a one-month supply of supplemental foods at any one time.
- ☐ Indicate by authorized signature on a FI/CVV, receipt or signature document, the supplemental foods received
- ☐ Other (specify): \_\_\_\_\_

**c. Supplemental foods may be delivered:**

- ☐ Only to the participant of record
- ☐ To the participant of record or proxy of record
- ☐ To any adult at home during time of delivery
- ☐ To anyone at home at the time of delivery
- ☐ Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

**2. Documentation**

**a. The forms verifying delivery are reconciled against vendor invoices:**

- ☐ Weekly
- ☐ Monthly reconciliation of the signed FIs/CVV's or other signed receipts or signature documents from participant or proxies.
- ☐ Other (specify): \_\_\_\_\_

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**G. Home Food Delivery Systems**

- b. Signatures of participants who sign the food receipt document/ FIs/CVV are compared to the signature on file.**

☐ No

☐ Yes, sample

☐ Yes, 100%

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation):**

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**H. Direct Distribution Food Delivery Systems**

☐ **DOES NOT APPLY**

**1. Direct Distribution Food Delivery - General**

**a. The State agency uses a direct distribution food delivery system to:**

- ☐ Distribute all of its WIC Program foods  
☒ Distribute only exempt infant formula and/or medical foods  
☐ Distribute (specify): \_\_\_\_\_

**b. The State agency uses:**

- ☐ Warehouse not used  
☐ One central warehouse, deliveries directly to local agencies  
☐ One central warehouse from which foods are sent to one or more subsidiary warehouses before delivery to local agencies  
☒ Other (specify): Drop shipped from formula distributor/formula manufacturer to LHUs; stored on site; amount limited to one month issuance for participants with valid RX

**c. Warehouses are operated by:**

- ☐ State agency ☐ Local agency  
☐ Other state or public agency ☐ Under contract with a private business  
☒ Other (specify): Stored on site at LHUs

**d. Warehouses used for storage of WIC foods are also used to store other FNS program commodities ( Please specify which commodities): \_\_\_\_\_**

- ☐ Yes ☒ No

**ADDITIONAL DETAIL: Food Delivery Appendix  
and/or Procedure Manual (citation): AR WIC Policy WIC-99-102**

**2. Food Distribution**

**a. Foods are distributed to participants:**

- ☐ Grocery store fashion  
☐ Pre-packaged  
☒ Other (specify): Given directly to participant/authorized representative/proxy

**b. Participants receiving food are required to sign:**

- ☐ A register once for all foods received

**IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

**H. Direct Distribution Food Delivery Systems**

- ☐ A register/form for each food item received  
☒ Other (specify): Automated signature pad; MIS records date of issuance

**c. Foods are distributed to participants:**

- ☐ Monthly  
☒ Not to exceed a one-month supply at any one time to any participant  
☐ Other (specify): \_\_\_\_\_

**d. Participants with limited access to facilities used for distribution have available to them:**

**Services provided by:**

	<b>Local Agency</b>	<b>Other Sources</b>
Home delivery	<input type="checkbox"/>	<input type="checkbox"/>
Cost-free transportation	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>
(if other, specify): _____		

**ADDITIONAL DETAIL: Food Delivery Appendix:  
and/or Procedure Manual (citation): AR WIC Policy WIC-93-95**

**3. Warehouse Insurance and Inspections**

**a. Insurance for the warehouse covers (check all that apply):**

- ☐ Theft      ☐ Fire      ☐ Infestation      ☐ Spoilage  
☐ Other (specify): \_\_\_\_\_

**b. Warehouses are inspected by a public authority responsible for enforcing:**

- ☐ Fire safety laws and regulations (specify date and grade of last inspection): \_\_\_\_\_  
☐ Sanitation laws and regulations (specify date and grade of last inspection): \_\_\_\_\_  
☐ Other (specify): \_\_\_\_\_

**ADDITIONAL DETAIL: Food Delivery Appendix:  
and/or Procedure Manual (citation): AR WIC Policy WIC-99-101**

**4. Monitoring and Inventory Control**

**Please describe the State agency's methods for ensuring WIC supplemental foods are under proper inventory control (separation of duties for intake and inventory;**

## **IX. FOOD DELIVERY/FOOD INSTRUMENT (FI)/ CASH-VALUE VOUCHER (CVV) ACCOUNTABILITY AND CONTROL**

### **H. Direct Distribution Food Delivery Systems**

**stock rotation; performance of perpetual and physical inventory duties; reconciliation against issuance records; etc.).**

**Inventory Reporting and Auditing:** LHU/WIC Clinic staff is required to maintain formula logs (drop ship and return) on a daily basis. Each LHU submits a monthly report of formula received, issued, and destroyed due to damage/expiration. This report is submitted to the regional WIC Coordinator for review and action.

Formula storage areas and formula inventories at LHUs are audited by state agency staff (Food Delivery Liaisons) four times per year. Staff review formula logs and check formula storage area(s) for proper stock rotation and storage practices. Formula with an expiration date within 3 months is designated for immediate use or transfer to another unit. Formula is issued according to expiration date (closest date issued first).

In order to maintain proper control of formula stock, there is a separation of duties within the LHU. These duties must be separated between two or more staff members.

For example:

- Staff 1: Order formula and maintain inventory and submit reports.
- Staff 2: Sign for/receive formula shipments and log into inventory.

# **ARKANSAS DEPARTMENT OF HEALTH**



## **INTERNAL FOOD DELIVERY MANAGEMENT POLICY**

**For**

**The Special Supplemental Nutrition Program  
for Women, Infants, and Children (WIC)**

**Effective FFY15  
10/1/14**



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## **I. VENDOR AUTHORIZATION**

Full service grocery stores interested in becoming an authorized WIC Vendor must complete all stages of the authorization process. The selection criteria used by the Arkansas WIC Program is designed to ensure that vendor participation will adequately fulfill the needs of the WIC Program participants.

### **A. Vendor Application**

1. Applications will be accepted from full service grocery stores on an on-going basis with the following exception. When the WIC Program is in the process of reauthorizing existing vendors, the WIC Program reserves the right to not accept or process applications during the last sixty (60) days of the current agreement period. Completed applications are only valid for 30 days from the date of receipt by the Food Delivery Section.
2. Before being sent an application packet, the applicant must answer the following initial screening questions:
  - a. Is the applicant's store currently open to the public?
    1. If the store will not be in operation within 30 days, applicant is requested to resubmit application within 30 day of store opening.
    2. If yes, proceed with application process.
  - b. Is the applicant's facility a full service grocery store and has the potential to maintain minimum stock of WIC foods including fresh vegetables and fruits?
    1. If the applicant does not appear to have the capacity (i.e. pharmacy only, bakery outlet, gas station/convenience store, etc.), call to confirm information. If no, no further assessment is necessary and the applicant will not be sent an application packet.
    2. If yes, proceed with application process.
  - c. Does the applicant expect that more than 50 percent of its annual revenue from the sale of food items will be derived from WIC food instruments?
    1. If yes, no further assessment is necessary and the applicant will not be sent an application packet.
    2. If no, proceed with application process.
  - d. Is the store physically located in Arkansas? If no, check whether dual state/ITO authorization is permitted. If not permitted, the applicant will not be sent an application packet.
3. If the applicant meets the initial screening criteria, the Food Delivery Section staff sends application information to the applicant by mail and/or provides the web links where the application can complete the information on-line. Also, application information, including e-mail address needed to request link to the on-line application, will be posted on the Arkansas Department of Health website in the WIC Vendor Management section. Vendor application information includes:
  - Summary of application process for new vendors
  - New vendor application
  - New vendor applicant questionnaire
  - Shelf price survey form
  - Sample of Vendor Participation Agreement and Handbook
  - Current WIC Approved Food List
4. The Food Delivery Section staff maintains a list of application packet request dates, the date packets were sent to applicants, status of application, and the date the applicant was notified of the outcome.

5. Upon receipt of a complete application (application with all required information, applicant questionnaire, shelf price survey), the information is reviewed using the vendor authorization checklist.
  - Store information
  - Owners/partners/corporate information
  - Store demographics
  - Wholesaler information
  - Direct deposit authorization
    - Signed\*
    - Voided check or financial letter with bank information if no checks are associated with the account is attached
  - Application signed and dated\*
  - Vendor applicant questionnaire
  - Shelf price survey (review for appropriate items and completeness)
  - Review of SNAP status (if authorized) in STARS

\*for on-line applicants, the e-mail address will serve as the electronic signature

6. If the applicant appears to meet the criteria as determined from the vendor authorization checklist, the Food Delivery Section staff forwards application to the Information and Data Specialist.
7. The Information and Data Specialist reviews the application to determine vendor's peer group (see Appendix F for details on peer group system).
  - a. Using the ZIP Code of the store's physical address, the applicant will be assigned to one of five geographic areas.
  - b. From the information provided, the applicant will be grouped in 1 of 3 "Store Type" categories in each geographic area.
  - c. The applicant is placed in the peer group which most closely reflects its profile within the geographic area/store type combination.
8. Using the peer group as determined in #7, the applicant's shelf prices are compared to determine if they meet the competitive price criteria. Prices for all categories of WIC approved foods will be compared and reviewed. A report of results is given to the FDSM within 3 days of receipt. If the applicant's shelf prices are within 110% of the peer group average as determined by the Information and Data Specialist, the application is forwarded back to the Food Delivery Section staff for authorization. If the applicant's shelf prices are not within 110% of the peer group average, the Information and Data Specialist notifies the applicant and she/he is given one opportunity to adjust the prices.

## B. Selection Criteria

The vendor shall comply with selection criteria throughout the agreement period including any updated criteria. The WIC Program may reassess the vendor at any time during the agreement period using the selection criteria in effect at the time of the reassessment. Vendors shall be terminated if during the period

of the agreement, the selection criteria are not being met. Selection of vendors for the Arkansas WIC Program is based on but not limited to the following criteria:

1. Competitive prices and price limitations: Vendors with a WIC Check at or below 110% of the average price for the check type for their peer group meet this requirement. Vendors that do not meet the current competitive shelf price or redemption history criteria are informed and given one chance to lower their shelf prices to meet the competitive price selection criteria. Vendors that do not meet either the shelf price or redemption history criteria and do not lower their shelf prices to meet the criteria are denied authorization unless denying authorization of the vendor would create a hardship for participants. Vendors will be paid only up to the Maximum Allowable Reimbursement (112% of the average price for the check type for their peer group) for checks that are at or exceed that amount. The MAR is intended to cover very brief price spikes and should not be the level at which vendors set their prices.
2. Minimum variety and quantity of WIC supplemental foods: The minimum stock requirements are listed in Appendix A of the Vendor Handbook for each category and type of WIC approved food. This stock must be in the store at the time of the visit by WIC Program personnel. Expired or damaged food may not be used in the calculation of minimum stock. Waivers for exceptions to minimum stock requirements must be requested in writing with a justification for the request.
3. Business integrity: Lack of business integrity on the part of the owner(s), officer(s), or manager(s) of a store will result in denial of a vendor's authorization. The Arkansas WIC Program cannot authorize a vendor applicant if during the last six years the vendor applicant or any of the vendor applicant's current owners, officers, or managers has been convicted or had a civil judgment entered against them for any activity indicating a lack of business integrity. Activities indicating a lack of business integrity include, but are not limited to, trafficking in WIC Checks or CVBs or Supplemental Nutrition Assistance Program (SNAP) benefits in any state, exchange of WIC Checks or CVBs or SNAP benefits for alcohol, tobacco, firearms, ammunition, explosives, or controlled substances, fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of justice. Failure to pay Arkansas state sales tax and redeeming WIC Checks/CVBs prior to receiving authorization will also be considered lack of business integrity.
4. Supplemental Nutrition Assistance Program (SNAP) disqualification: A vendor or vendor applicant that is currently disqualified from the SNAP or has been assessed a SNAP civil money penalty for hardship may not be authorized. If, at the time of authorization, the disqualification period that has been imposed or would have been imposed has not expired, the WIC Program cannot authorize the vendor.
5. Sale of store to circumvent a WIC sanction: A store that has been sold by a previous owner(s) in an attempt to circumvent a WIC sanction shall not be authorized. Circumstances could include, but are not limited to, selling a store to a relative by blood or marriage or to any individual or organization for less than its fair market value.
6. Purchase of infant formula: A vendor must purchase infant formula only from wholesalers, distributors, manufacturers, or retailers from the list provided by the Arkansas WIC Program. A list

of the wholesalers, distributors, manufacturers, or retailers will be available on the WIC Program website or at vendor request.

7. Misuse of WIC acronym or logo: Vendors shall only use the WIC acronym and logo in materials provided by or as specified by the Arkansas WIC Program. No reproductions are permitted. The Arkansas WIC Program will not authorize a vendor that uses the “WIC” acronym or logo except as permitted by the WIC Program. The “WIC” acronym and logo are registered and trademarked by the U.S. Department of Agriculture (USDA). Authority to regulate the use of the acronym “WIC” and the WIC logo are provided in 42 U.S.C. 1051 et seq., and 7 CFR 246. A WIC vendor is not permitted, without specific Federal or State Agency authorization, to use either the acronym “WIC” or the WIC logo, including close facsimiles thereof, in total or in part, in either the official name in which the vendor is registered or the name under which it does business, if different, on product labels or packages, store signs, pamphlets, advertisements, brochures or any other proprietary materials.
8. Disqualification from another state WIC Program: A vendor’s store will not be authorized by the Arkansas WIC Program if the store is currently disqualified by another state’s WIC Program for a mandatory federal sanction.
9. Incentive items or service given to or denied to WIC participants: A WIC authorized vendor may not treat WIC customers differently by offering incentive items or services that are not offered to non-WIC customers or by denying incentives or services offered to non-WIC customers. Doing so is a violation of federal regulations. These items and services include but are not limited to: store loyalty or rewards cards, membership club benefits, promotions such as buy-one-get-one-free, buy-one-get-one-at- reduced price, free ounces added to food item by manufacturer, transaction discounts, and manufacturer/store coupons. (see USDA/FNS Memo 2/7/14 for detailed descriptions)
10. Above-50-percent Vendors: The Arkansas WIC Program will not approve new applicants whose expected WIC sales will be above 50-percent of their expected total food sales or current vendors seeking reauthorization whose actual WIC sales were above 50-percent of their total food sales at any time during the previous calendar year. WIC, SNAP and total food sales figures will be collected annually from current vendors for analysis. Current vendors found to have WIC sales above the 50-percent criterion during the agreement period will be terminated for cause. Vendors identified as being high risk for high percentage of WIC to total food sales will be required to submit sales tax records (Arkansas Excise Tax Return – ET-1 Form) on a monthly basis to assist in verification of regular vendor status.

#### C. Authorization Process

1. If the application is complete and applicant has met all the selection criteria, the Food Delivery Section staff schedules and conducts an authorization visit.
  - The Food Delivery Section staff completes the store monitoring form (WIC-13) (see Appendix D) with the exception of the food instrument review section.
  - Documentation of formula wholesalers/orders is reviewed
  - Minimum stock is reviewed
  - Expiration dates on food items are spot checked

2. Mandatory interactive training for the vendor's staff must be conducted no more than 14 days before the authorization visit but no later than 3 days after the authorization visit. The authorization process is not complete until training has been completed. Staff training may be conducted by the store management, corporate office or the Food Delivery Section staff. All training must be documented through a signed trainee roster submitted to the Food Delivery Section.
3. If the applicant meets all of the above criteria, the Food Delivery Section staff sends an authorization letter to the new vendor. The Food Delivery Section staff also provides the following:  
Vendor Participation Agreement and Handbook (signed) – depending on the vendor, the corporate office may receive the original letter and signature page with a copy sent to the store's address
  - Official WIC vendor stamps (2)
  - Window signs (2)
  - WIC Approved Food Lists
  - WIC shelf tags
  - Current peer group average price list
4. Upon approval, vendor information is entered into the Management Information System (MIS).
5. If an applicant does not meet one or more of the selection criteria or all of the required information is not submitted, the Food Delivery Section staff calls the applicant and the information is verified/requested. One opportunity is given to comply with competitive pricing and/or submit missing/corrected information within 5 working days. If the information is not provided or still does not meet the selection criteria, the vendor is notified of the denial and reasons for denial by letter. If the vendor does not meet requirements for minimum stock, expired food items, or sanitary conditions during the authorization visit or fails to complete mandatory training in the time specified, the applicant will not be authorized. Applicants that have been denied authorization may request an administrative review of the adverse action. All applicants that are denied authorization must wait a minimum of 90 days to submit a new application.
6. Vendor Participation Agreements may be issued throughout the current agreement period with all agreements expiring on the same date.
7. Dual State/ITO Vendors – If not prohibited by the state's or Indian Tribal Organization's (ITO) WIC policy or other state or tribal statute, a store located in a state/ITO bordering Arkansas may apply to become an Arkansas WIC vendor. The Arkansas WIC Program will consult with the state/ITO WIC Program's vendor section where the applicant is located before any decision is made regarding authorization. WIC Programs of states/ITOs bordering Arkansas seeking to authorize vendors in Arkansas are asked to contact the Arkansas WIC Program FDSM.
8. Food Delivery Section staff reviews new vendors within six (6) months of authorization to verify possible above 50- percent status.

## **II. VENDOR REAUTHORIZATION**

1. Food Delivery Section staff sends reauthorization information to current vendors no less than 60 days prior to the end of the authorization period. Reauthorization information includes:

- Cover letter
- Vendor application\*
- Vendor Participation Agreement and Handbook
- Vendor price survey
- Current Arkansas WIC Approved Food List

\*will send vendors web link to the on-line application. Vendors without web access will be sent a paper copy to complete.

2. Prior to reauthorization, the Information and Data Specialist conducts a review of all currently authorized vendors for competitive prices.
3. Vendor returns completed application packet to Food Delivery Section staff by the date specified in the letter.
4. Application is reviewed using the vendor authorization checklist (paper or MIS).
5. A reauthorization visit is made to the store by Food Delivery staff no more than 60 days prior to the reauthorization date. To proceed with the reauthorization, the vendor may not have any sanctionable violations at the time of the visit. Vendors with sanctionable violations will not be reauthorized until the violations have been addressed or depending on severity of the violations as they relate to the selection criteria, may result in denial of reauthorization.
6. At least one member of the vendor's staff must participate in scheduled, interactive reauthorization training. Several training locations and dates will be offered.
7. If the vendor meets the selection criteria, the Food Delivery staff sends the vendor a letter and contract for signature. All information is updated in the MIS after the signature page is returned.
8. If the vendor does not meet one or more of the selection criteria, the vendor is called and information is rechecked. The vendor has 10 days (but no later than the ending date of the current contract) to comply with competitive pricing, minimum stock, WIC acronym and logo use, and training requirement. A follow-up store visit by Food Delivery Section staff may be necessary. If the information is accurate and the deficiency is not/cannot be rectified, the vendor is notified of the denial and reasons for denial by certified letter. Vendors that are denied reauthorization must wait 90 days from the receipt of the denial letter to reapply.

### **III. VENDOR TRAINING/VENDOR STAFF TRAINING**

1. Prior to or at the time that a vendor signs a new vendor agreement, a reauthorization, or a subsequent authorization after a break in the contract between the vendor and the WIC Program, each vendor shall participate in a training that is in an interactive format, allowing for a question and answer session. In any case, interactive training will be held at least once every three years. This may include telephone conferencing, video conferencing, classroom or store-level training, or training via Internet with an opportunity for a live question/answer session.
2. Each WIC vendor with a current agreement shall participate in an annual training which includes, but is not limited to store-level training, newsletters, videos, cashier/bookkeeper training manual, on-line training and interactive group training.
3. The WIC Food Delivery Section State Office staff, working in concert with the Food Delivery Liaisons (FDLs), will ensure that vendors receive their mandatory training or any training requested by the vendor. The training will include but not be limited to WIC Check and Cash Value Benefit (CVB) transaction and redemption procedures, vendor agreement provisions, minimum stock requirements, and customer relations.
4. FDLs will submit an attendance sheet of those who were trained. If the training is provided by the vendor's management or corporate office, an attendance sheet is to be submitted to the vendor's FDL. The Food Delivery Section staff will scan the attendance sheet in the vendor's MIS file.
5. FDLs will record the outcome of the training in the MIS and provide any follow-up if necessary. For new vendors, an educational monitoring visit is scheduled approximately 30 days after authorization. FDLs will check for minimum stock, review check redemptions, make general observations and answer any questions that the vendor may have. Food Delivery Section staff will provide oversight to ensure that all vendors receive both annual and mandatory training.
6. FDLs will receive training in presentation skills and updated training materials before each reauthorization training period. The Food Delivery Section State Office staff will monitor training uniformity and quality by observing practice training sessions or actual vendor training sessions periodically. All training materials will be developed by or reviewed by the Food Delivery Section State Office staff and submitted to the Food and Nutrition Service (FNS) regional office for approval.



## **IV. VENDOR MONITORING**

### **A. Routine Monitoring Visits**

1. Food Delivery Section staff will monitor all vendors, using the WIC-13, 3 times annually (see Appendix D). Visits will be unannounced and may be conducted at any time the vendor is open for business.
2. All new vendors will have an announced educational visit approximately 30 days after their authorization date. This visit will include but not be limited to a review of minimum stock requirements, checking for expired foods, proper identification of WIC approved foods, WIC transaction procedures, sanctions/violations, staff training plans, and check redemption procedures. Technical assistance will be given if any state violations or other problems are noted. If any federal violations are noted, vendors will be sanctioned according to the violation/sanction schedule.
3. WIC Food Delivery Section regional staff will record the outcome of the monitoring and educational visits in the vendor's record in the MIS.
4. WIC Food Delivery Section Vendor Compliance and Educational Specialist will instruct the regional staff if follow-up is necessary based on the outcome of the review of the monitoring visit report. Follow-up visits and/or training will be conducted in accordance with the provisions of the violation/sanction schedule.

### **B. Inventory Audits**

1. The WIC Food Delivery Section will conduct inventory audits when needed to check for compliance with (but not limited to):
  - Formula purchased from approved sources
  - Above 50% vendor status
  - Maintaining sufficient inventory
2. Examples of triggers for initiation of inventory audits are:
  - Second incidence of failure to produce formula invoices in 12 month period
  - Vendor with WIC sales = or > 25% of SNAP eligible food
  - Three (3) minimum stock violations or three (3) complaints regarding minimum stock in 12 month period for vendors

### **C. Review of SNAP Retailer Status**

The Information and Data Specialist will review the SNAP status of all authorized WIC vendors annually.

## **V. VENDOR RELATED COMPLAINTS**

1. Participants, authorized representatives and proxies may make a verbal complaint to staff at a local health unit or to a Food Delivery staff person. Participants may use the 1-800-235-0002 line if they wish. They may also make a written complaint and use the WIC-14 form if they so desire. Complaints may also be submitted to the [wic.program@arkansas.gov](mailto:wic.program@arkansas.gov) e-mail address.
2. The WIC Food Delivery Staff person must first determine if the complaint, whether it is from a participant or vendor, is valid. Many complaints, such as not being allowed to purchase cereal that is not WIC approved or a vendor not stocking foods that do not have a minimum stock requirement, are not valid complaints and will not be entered in the MIS system as complaints. WIC Food Delivery staff will provide information regarding relevant policy and procedures to complainants to address their concerns and assist to resolve the issue, when possible.
3. If a participant makes a valid complaint regarding an authorized WIC vendor:
  - The complaint is entered into MIS by the FDL or Food Delivery staff person receiving the complaint. If the complaint is made in writing (WIC-14), the form/document is scanned into the vendor's MIS record.
  - The FDL responsible for that vendor or the Food Delivery staff person works with the participant and the vendor to resolve the problem. Depending on the severity of the complaint, the WIC Food Delivery Section Manager (FDSM) should be alerted to the complaint.
  - Notes regarding the complaint should be copied to the WIC Food Delivery Section Manager (FDSM).
4. If a vendor makes a valid complaint regarding a WIC participant or responsible adult or proxy:
  - The complaint should be referred to the WIC FDSM.
  - The complaint is documented by the WIC FDSM. The documentation is then forwarded to the WIC Policy Section Head for further action.
  - The complaint is entered in the notes section of the vendor's MIS record.
5. If a vendor makes a valid complaint regarding local health unit staff or central office staff:
  - The complaint should be referred to the WIC FDSM.
  - If the WIC FDSM cannot resolve the complaint, it is then referred to the WIC Director.

## **VI. VENDOR FILES AND RECORDS**

Files and their contents (both paper and digital) are to be treated with the greatest degree of confidentiality and only accessed by WIC Food Delivery Section staff, WIC Policy Section Head (in the course of conducting an abuse or complaint investigation) and state/federal auditors.

1. Vendor files are to be placed in the Food Delivery Section's filing cabinets and locked when not monitored by Food Delivery Section staff to ensure security.
2. Vendor files will be filed in numeric sequence, using the four-digit stamp number assigned to the vendor at authorization.
3. Vendor files are closed if the store closes, ownership changes, or vendor is disqualified.
4. Vendor files that have been closed will be removed from the active vendor file and filed in the inactive file by vendor stamp number.
5. Order of document sections in individual vendor file:
  - Application/authorization
  - Vendor Monitoring Reports (WIC-13)
  - Compliance
  - Training
  - Sanctions/Invoices
  - Complaints
  - Correspondence and miscellaneous
6. Electronic vendor information maintained in the MIS system, IT shared drives, and desktop computers is treated with the same degree of confidentiality as paper files. Access to vendor information is limited to WIC Program State Food Delivery Section Staff, and to a more limited degree, Food Delivery Liaisons. Control of certain MIS functions is maintained through role mapping by the MIS system administrator. Shared drive folders with proprietary vendor information are password protected. ADH policy prohibits the sharing of computer passwords.
7. Vendor confidentiality – vendor information shall be treated in accordance with the provisions of 7CFR 246.26 (e) and (f). Only the vendor's name, address, telephone number, website, e-mail address, store type and authorization status may be released without restriction.

## VII. VENDOR COMPLIANCE / HIGH RISK VENDORS

1. High Risk Indicators that will be used are as follows:

<b>Indicator</b>	<b>Weight</b>	<b>Level</b>	<b>Timeframe</b>
Low Variance (FI or CVB)	3	Specific FI types	10/1/13-9/30/14
High Mean (FI)	3	6 months +	10/1/13-9/30/14
WIC Sales are an Unusually High % of Total Sales	5	25%	10/1/13 – 9/30/14
New Vendor	5	All	10/1/13 – Present
Participant/Other Complaints	2	>5	10/1/13 – 9/30/14
Excessive # of Checks Returned Due to Errors	2	1%	10/1/13 – 9/30/14
Short on Authorized Food Items or No Inventory	3	Any Sanction 20 Violation	10/1/13 – 9/30/14
Past History of Violations and Disqualifications	3	Any Warning Letters, Sanctions or DQs	10/1/12 – 9/30/14

The MIS function will be used to record and analyze vendors' records against the high risk criteria. Each indicator will be given a specific weight in the MIS and the total High Risk Score will determine the vendor's rank. A score of 5 or higher will be considered high risk. The list of high risk vendors will be generated no later than October 15 each year.

Low Variance – FFY15 will be the first time that Low Variance will be used as a high risk indicator. The WIC Program will start by looking at CVB transactions as well as FIs that have a variety of foods to be redeemed. The program will not look at FIs where low variability is expected such as those for formula, infant food, when only two or three food items are present, or prorated food packages.

High Mean – FFY15 will be the first time that High Mean will be used as a high risk indicator. The WIC Program will use the data from the first six months of the FFY to establish the threshold for a vendor to be considered high risk due to this indicator.

2. The Vendor Compliance and Education Specialist will arrange, through specially assigned and trained WIC staff (or contracted individuals), compliance buys on the top five percent (5%) ranked, high-risk vendors from each peer group. Within the ranked vendors, those with the highest scores will be prioritized for compliance buys. A minimum of one (1) vendor from each peer group will be chosen to receive a compliance buy regardless of high risk rating.

3. The Arkansas WIC Program currently conducts buys where:
  - a. WIC Checks/CVBs are transacted for allowable foods and in the quantities indicated to determine if there are overcharges (safe buys)
  - b. Minor substitutions buys where WIC Checks/CVBs are used to purchased unauthorized food items that are similar to approved items;
  - c. WIC Checks/CVBs are used to purchase allowable food and the redemption process is observed to determine compliance with redemption protocol

The Program reserves the right to conduct other types of buys to investigate vendor or participant fraud and abuse and to ensure compliance with the terms of the vendor agreement.

4. Compliance buys will be conducted on the high-risk vendor until the Program either (a) deems the vendor to be in compliance with the rules and regulations of the program or (b) the vendor needs to be disqualified from the program. Vendor must have two good buys in a row at least 15 days apart to be deemed in compliance. The vendor investigation will be considered closed once two consecutive good buys are made or vendor is terminated or disqualified from the Program.
5. The Vendor Compliance and Education Specialist may also select vendors to receive compliance buys during the FFY if irregularities are found through food instrument reviews, monitoring visits or complaints.
6. Vendors who have their first violation will receive a written warning letter indicating the infraction(s). Additional violations will result in sanctions and/or fines as outlined in the Vendor Participation Agreement, Violations and Sanctions section.
7. The Vendor Compliance and Education Specialist will record the outcome of the compliance buys in the MIS and prepare letters to vendors indicating the outcome of the compliance buys. These letters will be reviewed and signed by the FDSM.

## **VIII. VENDOR VIOLATIONS AND SANCTIONS**

1. Any sanctionable vendor violations will be identified by compliance buy information, WIC Check or Cash Value Benefit (CVB) redemption reports, vendor communication, or WIC Food Delivery Section staff observation.
2. Except for federally mandated sanctions 1-4, the vendor will receive a written warning letter by certified mail notifying the vendor that such violations have occurred and the time frame allowed to correct the offense and/or prevent it from occurring.
  - The vendor will have 15 to 30 days (as specified in the letter) from the receipt of the certified letter to address the problem.
  - All violations will be documented in the MIS.
  - After the allotted time, the next violation will result in assignment of sanction points, mandatory training and/or fine/repayment as outlined in the Vendor Participation Agreement.
3. Should a vendor receive twelve (12) sanction points, from any combination of violations with at 36 month period, the vendor will be disqualified from the program for a period of six months.
4. Should a vendor receive twenty (20) sanction points, from any combination of violations, the vendor will be disqualified from the program for a period of one year.
5. If disqualified as a result of a mandatory federal sanction, the WIC Food Delivery Section State Office staff will notify the regional Food Delivery Liaison and the USDA SNAP. The vendor will have to reapply in order to be authorized after the disqualification period is over.
6. Vendors disqualified as a result of a state sanction will not start with a “clean record” once the disqualification period is fulfilled, but will retain any points that have not expired for a period up to three (3) years.
7. Food Delivery Section staff will record the result(s) of the Vendor Sanctions into the MIS.
8. The vendor sanction schedule that will be in effect for the September 1, 2012 – August 31, 2015 authorization period is listed in Appendix C.

## **IX. VENDOR DISQUALIFICATION, PARTICIPANT ACCESS AND CIVIL MONEY PENALTIES**

### **B. Vendor Disqualification**

1. A vendor is disqualified by the WIC Program because of sanctions received from not adhering to the agreement.
2. A vendor will not be disqualified until participant access has been reviewed (see Section IX., B. #2). If participant access is determined to be a problem, the program may issue a claim for a Civil Monetary Penalty (CMP) in lieu of the disqualification, if agreeable with the vendor. Upon payment of the CMP, the vendor may continue to operate, but must adhere to the Vendor Participation Agreement and Handbook.
3. If there is not a participant access issue, the Food Delivery Section staff will proceed with the disqualification of the vendor. The vendor will be issued a certified letter from the Food Delivery Section Manager (FDSM), giving the date of the impending disqualification. In addition, the vendor will be notified of the administrative review process, if it is an appealable offense. The date of disqualification shall be: the 16<sup>th</sup> day after receipt of the certified letter if no review is requested by the vendor; the date the vendor receives notice that their request for an administrative review has been denied (but no less than the 16<sup>th</sup> day after receipt of the impending disqualification letter); or the date of receipt of the certified letter from the administrative review officer that the vendor's appeal was denied.
4. Upon disqualification, the vendor will be required to return the official WIC vendor stamp(s) within ten (10) days. The vendor will be given 15 days to deposit WIC Checks/CVBs and resolve any banking issues.
5. When the USDA Supplemental Nutrition Assistance Program (SNAP) notifies the WIC Program of any SNAP disqualifications, the vendor is disqualified from the WIC program.
6. WIC FDSM will record the outcome of any Vendor Disqualifications in the MIS.
7. WIC FDSM will forward any WIC disqualifications resulting from violations of federal sanctions #1 - 10 to the SNAP.
8. Disqualified vendors, if approved on reapplication, will not start with a "clean record" once the disqualification period is fulfilled, but will retain any points that have not expired for a period up to three (3) years. If reauthorized, the vendor will be given a new vendor number.

### **C. Inadequate Participant Access**

To ensure that disqualifying a vendor for contract or policy violations does not result in inadequate participant access to WIC foods, an exception due to inadequate participant access may be made. The issue is one of participant access, not participant convenience.

Prior to disqualifying a vendor from participation in the Arkansas WIC Program, the WIC Food Delivery Section State Office shall consider the adequacy of access by participants to authorized vendors in their local area.

Situations causing inadequate participant access may be the result of, but are not limited to:

- The disqualification of an authorized vendor.
- Change of ownership or location of an authorized vendor.
- Disaster or other cause for the loss of, or access to, an authorized vendor.
- No willing vendor in the area that meets the vendor selection criteria.

In urban areas, where public transportation is available, participant access may be considered inadequate if any of the following conditions apply:

- A vendor density of less than one (1) per 500 participants.
- Participants must travel more than two (2) miles to a vendor.
- Other conditions exist which makes a vendor within two (2) miles difficult for participants to access.

In rural areas, participant access may be considered inadequate if any of the following conditions apply:

- Participants must travel more than fifteen (15) road miles in one direction to a vendor.
- Other conditions exist which makes a vendor within fifteen (15) road miles in one direction difficult for participants to access.

The WIC Food Delivery Section State Office may declare a situation of inadequate participant access to:

- Accommodate special populations (e.g., migrant workers and their families).
- Respond to sudden or unexpected population changes to meet the public health mission of the Arkansas Department of Health and the Arkansas WIC program.

If the Arkansas WIC Program, in its sole discretion, determines that disqualifying a vendor would result in inadequate participant access, the Program may impose a Civil Money Penalty (CMP) on the vendor in violation in lieu of disqualification except when prohibited by 7 CFR Part 246.12. See Section IX, C for policy regarding CMP.

#### **D. Civil Money Penalties**

1. Vendors may request a CMP as an alternative to disqualification for six months or less, unless otherwise not allowed. Also, the WIC Program may, if it determines that the vendor is needed to meet participant access, offer a CMP in lieu of disqualification. Prior to a hearing on the matter, the vendor may choose either to accept the disqualification or to pay the CMP. Following a hearing, the hearing examiner on behalf of the WIC Program, may uphold a disqualification or allow a CMP ranging from the minimum of the pre-hearing amount as calculated, but may also include all the administrative costs of the WIC Program associated with preparing and conducting the hearing. If the vendor does not request a hearing, the request to pay a CMP must be made within 15 days of receipt of the WIC Program's written notification of disqualification. The CMP payment must be submitted to the state finance office prior to the disqualification effective date.



2. For violations resulting in a disqualification of one but not more than six months, the CMP shall be calculated as follows:
  - a. Determine the vendor's average monthly redemptions for the most current six-month period available and multiply by 0.10 (10%) and multiply the resulting amount by the number of months the vendor would have been disqualified.
  - b. The amount of the resulting CMP shall not exceed \$11,000 for any number of violations within a violation type nor more than \$49,000 as part of a single investigation.
3. One or more violations within a violation type during one compliance buy or one routine monitoring visit shall be considered one violation.
4. If more than one violation type rises to the level of a pattern, the CMP will be calculated based on the offense for which the most severe sanction would be required.
5. A vendor may not pay a CMP in lieu of a proposed disqualification period longer than six months unless the WIC Program determines that disqualification would result in inadequate participant access to other vendors. If a disqualification period longer than six months is waived due to inadequate participant access, the CMP shall be calculated in accordance with Section IX, C, 2, a., with the resultant amount being multiplied by the number of months the vendor would have been disqualified.
6. The determination by the WIC Program regarding inadequate participant access is not subject to administrative review.
7. When during the course of a single investigation, the WIC Program determines a vendor has committed multiple violations, the WIC Program shall, in the event of a determination of inadequate participant access, impose a CMP for violations within each violation type. The total amount of the CMPs imposed as a result of a single investigation shall not exceed \$49,000.
8. If the vendor receives a second disqualification for the following violations as defined in this policy and elects to pay a CMP, the CMP shall be doubled but shall not exceed \$49,000:
  - a. Sanctions 2-11
  - b. Accumulations of 12 points for Sanctions 12 – 24
9. No CMP shall be accepted in lieu of a third and subsequent sanction(s) for violations listed in item I. of this section.
10. The WIC Program may agree to accept CMPs paid in installments as appropriate. If the vendor does not pay, pays only partially, or fails to pay a CMP assessed in lieu of disqualification in a timely manner, the WIC Program shall disqualify the vendor for the length of the disqualification corresponding to the violation for which the CMP was assessed.

## **X. ADMINISTRATIVE REVIEWS**

1. Vendors may request an administrative review of Arkansas WIC Program decisions, except as noted in number 4 below, regarding denial of authorization to participate, termination of an agreement for cause, disqualification or imposition of a fine or a civil money penalty.
2. Full administrative reviews will consist of a hearing before an impartial official. Full administrative reviews will be conducted for the following types of adverse actions:
  - Denial of authorization based on the following selection criteria:
    - Competitive prices
    - Minimum variety and quantities of Arkansas WIC Program approved foods
    - Sale of a store to circumvent a WIC Program sanction
  - Termination of an agreement for cause.
  - Disqualification, except for a disqualification based on a trafficking conviction, disqualification or civil money penalty from the Supplemental Nutrition Assistance Program or disqualification from another state's WIC Program for a mandatory federal sanction.
  - Imposition of a fine or civil money penalty in lieu of a disqualification.
  - Imposition of a civil money penalty for hardship.
3. Abbreviated administrative reviews are based on written documentation and other materials submitted to an impartial official by the Arkansas WIC Program and the vendor and/or the vendor's representative. Abbreviated reviews do not include a hearing. Abbreviated administrative reviews will be conducted for the following types of adverse actions:
  - Denial of authorization based on the following selection criteria:
    - Business integrity
    - Supplemental Nutrition Assistance Program disqualification
    - Supplemental Nutrition Assistance Program civil money penalty
    - Purchases of infant formula from source(s) other than those on the list provided by the WIC Program
    - Misuse of the WIC acronym or logo
    - Providing incentive items to WIC participants
    - Vendor limiting criteria
    - Vendor not SNAP authorized vendor
  - Denial of authorization because a vendor submitted its application outside the timeframes established by the Arkansas WIC Program.

- Termination of an agreement because of a change in ownership, change of location, or cessation of operations.
- Disqualification based on:
  - A trafficking conviction
  - A disqualification from another State's WIC Program for a federal mandatory sanction
  - Civil money penalty from another State WIC Program in lieu of disqualification for a federal mandatory sanction
  - Civil money penalty based on a disqualification from SNAP

4. The Arkansas WIC Program will not provide administrative reviews for the following actions: [WIC Regulations 7CFR 246.18(a)(1)(iii)]

- The validity or appropriateness of the WIC Program's vendor limiting or selection criteria
- The validity or appropriateness of the WIC Program's vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or vendors comparable to above-50-percent vendors
- The validity or appropriateness of the WIC Program's participant access criteria and participant access determination
- WIC Program's determination to include or exclude an infant formula manufacturer, wholesaler, distributor or retailer from the list required, pursuant to 7CFR 246.12(g)(11).
- The validity or appropriateness of the WIC Program's prohibition of incentive items and the WIC Program's denial of an above-50-percent vendor's request to provide an incentive item to customers pursuant to 246.12(h)(8)
- The WIC Program's determination whether to notify a vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction, pursuant to 7CFR 246.12(I)(3).
- The WIC Program's determination whether a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation 7CFR 246.12(I)(1)(i)(B)
- The expiration of a vendor's agreement
- Disputes regarding WIC Check or CVB payments and vendor claims
- Disqualification of an authorized vendor as a result of disqualification from the Supplemental Nutrition Assistance Program (SNAP)

5. Procedures for a full administrative review

- Notification: The Arkansas WIC Program will notify the vendor in writing of:
  - o The adverse action
  - o The reason for the adverse action
  - o The procedures to follow to request a full administrative review
  - o The effective date of the action
  - o The following statement if the reason for the adverse action is a federal mandatory sanction listed in Section IV of this agreement:

“This disqualification from WIC may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program. Such disqualification is not subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.”

- o Any request for an administrative review must be made within 15 days of receipt of the notification.
- A request for a full administrative review must be made in writing within 15 calendar days of the vendor's receipt of notification of the impending adverse action via certified mail. The vendor must specifically state the basis for the request. The request must be sent to the Arkansas WIC Program, 5800 W. 10<sup>th</sup> Street, Suite 810, Little Rock, AR 72204.
- The date, time and place for a full administrative review will be set by the WIC Program and will allow the vendor sufficient time to prepare for the review. The review may be rescheduled one time at the request of the vendor.
- A vendor may have representation at the administrative review.
- A vendor will have access to evidence gathered by the WIC Program upon which the adverse action is based and may examine the evidence prior to the review.
- A vendor or his representative may cross-examine witnesses and/or present testimony at the administrative review.
- WIC Program investigators may be concealed from the view of the vendor and/or his representative.

#### 6. Procedures for an abbreviated administrative review

- Notification: The Arkansas WIC Program will notify the vendor in writing of:
  - The adverse action
  - The reason for the adverse action
  - The procedures to follow to request an abbreviated administrative review
  - The effective date of the action
  - The following statement if the reason for the adverse action is a federal mandatory sanction listed in Section IV of this agreement:
 

“This disqualification from WIC may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program. Such disqualification is not subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.”
- Any request for an administrative review must be made within 15 days of receipt of the notification.
- A request for an abbreviated administrative review must be made in writing within 15 calendar days of the vendor's receipt of notification of the impending adverse action. The vendor must specifically state the basis for the request. The request must be sent to the Arkansas WIC Program, 5800 W. 10<sup>th</sup> Street, Suite 810, Little Rock, AR 72204.
- The name and title of the official and address to send the vendor's written grounds for appeal and the documentation supporting the appeal will be sent to the vendor within 15 days of the receipt of the request for an abbreviated administrative review.

- The date all materials must be submitted to the review official will be set by the WIC Program and the review official. The vendor may request one extension of this date.
- A vendor will have access to evidence gathered by the WIC Program upon which the adverse action is based and may examine the evidence prior to submitting the written materials for consideration by the review official.

7. The decision of the review official:

- The decision of the official of the full or abbreviated administrative review will be based solely on whether the WIC Program has correctly applied federal and state statutes, regulations, policies and procedures governing the WIC Program, according to evidence presented in the review.
- Written notification of the review decision, including the basis for the decision, will be sent to the vendor within 90 days from the vendor's request for the review. The decision of the review official will be final.

8. Effective dates of adverse actions:

- For denial of authorization or disqualification for a conviction for trafficking in WIC Checks or CVBs or selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs, the effective date for denial of authorization or disqualification will be no later than the date the vendor receives the notice of adverse action.
- For other WIC Program actions the vendor may appeal, the effective date of the adverse action will be 15 calendar days from the date of the vendor's notification, or if the vendor appeals, no later than the date the vendor receives notification of the administrative review decision.
- For disqualification from the WIC Program as a result of a Supplemental Nutrition Assistance Program disqualification, 15 calendar days from the date of vendor's notification of the WIC Program disqualification.

WIC Federal Regulations may be accessed on the Internet at: <http://ecfr.gpoaccess.gov/> under Title 7: Agriculture, Volume 4 – Food and Nutrition Service, Part 246

## **XI. VENDOR TERMINATIONS**

### **TERMINATION - because the vendor store closed, voluntarily withdrew, sale of store, etc.**

1. Either party to the Vendor Participation Agreement may terminate that agreement for cause.
2. The WIC Food Delivery Section staff will record the effective termination date in the MIS.
3. The WIC Food Delivery Section staff will record in the MIS if a law enforcement agency is notified to assist in the vendor's termination.
4. The WIC Program may not accept voluntary withdrawal of the vendor from the Program as an alternative to disqualification for the mandatory federal violations, but must enter the disqualification on the record. In addition, the WIC Program may not use nonrenewal of the vendor agreement as an alternative to disqualification.
5. The vendor must notify the Arkansas WIC Program in writing fifteen (15) days in advance of any plans to change the store name, cease operation, change ownership, or change location of the store. The Vendor Participation Agreement is terminated upon change of ownership, change in location (unless in same township), or cessation of operation for more than 90 days. No portion of the agreement may be assigned. The vendor must return the vendor stamp(s) to the Arkansas WIC Program within 10 days of termination.
6. Upon receipt of written notification that the vendor wishes to terminate the agreement, Food Delivery Section staff will issue a termination letter that includes confirmation of termination date, banking information, and request to return vendor stamps (if they have not already been returned). Terminated vendors will have 15 days from the date of termination to deposit WIC Checks/CVBs and resolve any banking issues.
7. If the vendor fails to notify the Arkansas WIC Program of a store closure/cessation of operation and cannot be contacted by phone or in person, the vendor will be automatically terminated if the WIC Food Delivery staff make 2 visits to the vendor's physical location within a 30-day period and the store is closed for business during posted hours of operation on both visits. The termination date will be the date of the second visit.

## **XII. VENDORS REFERRED TO THE OFFICE OF INSPECTOR GENERAL (OIG) OR LAW ENFORCEMENT**

1. If the FDSM or designee determines that a compliance investigator's/WIC staff's safety is a concern, the Department of Health's Legal Department should be notified. If appropriate, the USDA Office of Inspector General (OIG) will also be notified.
2. If a vendor is suspected of or convicted of trafficking, selling the WIC Check or CVB, exchanging the WIC Check or CVB for firearms, alcohol, drugs, etc., the FDSM will notify the ADH Legal Department who in turn will contact the OIG. After the OIG notifies the ADH Legal Dept. or FDSM of their intended action in the case, the ADH Legal Dept. will determine if ADH will take further action including reporting to the Attorney General, the District Attorney, or local law enforcement.
3. The FDSM or designee will record the outcome of any vendors referred to OIG or a law enforcement agency in the MIS.

### **XIII. VENDOR ADVISORY COMMITTEE**

1. The primary purposes of the vendor advisory committee are: 1) to provide relevant information and advice to the AR WIC Program from the food delivery community that represents and serves Arkansas WIC authorized vendors; and 2) to serve as an additional conduit of information from the AR WIC Program to the food delivery community.
2. The vendor advisory committee shall consist of representatives from small, medium, and large vendors, wholesalers that supply Arkansas vendors, and the President of the Arkansas Grocers and Retail Merchants Association.
3. Travel reimbursement is offered according to State of Arkansas guidelines.
4. Meetings/teleconferencing are scheduled as needed.



## **XIV. WIC CHECK AND CVB PROCESSING AND SECURITY**

1. **WIC Check and CVB Issuance** – WIC Checks for supplemental foods and CVBs for fresh and frozen fruits and vegetables are printed and issued to participants by LHU staff. Effective October 1, 2014, exempt/special formula will be issued using the direct ship function in the MIS. Checks will no longer be printed. Issuance will be verified through signature on the MIS signature pad.
2. **WIC Check and CVB Security** – WIC Check/CVB stock is shipped directly from the printing company to ADH Central Stores. The MICR toner cartridges used to print WIC Checks/CVBs are shipped directly from the manufacturer to the WIC State Office. They are then transported by WIC Food Delivery staff to a locked area in the ADH Central Stores. Access to the secure area where the boxes of check stock and MICR toner are kept is limited to WIC Food Delivery Section staff. As needed, staff brings boxes of check stock and MICR toner to the WIC State Office. Boxes of checks and toner are either picked up at the WIC State Office by a representative of the local health unit or shipped to the designated WIC clerk in the local health unit (check stock sent via commercial courier such as UPS or Federal Express and MICR toner by ADH courier). Documents are sent along with the shipments to track disbursement and receipt. At the local health unit level, the check stock and MICR toner, when not in use, are kept in a secure location.
3. **Vendor Reimbursement Protocol for WIC Checks and CVBs** – WIC vendors transact WIC Checks or CVBs for WIC approved foods as specified on the WIC Check or CVB. To be considered valid the vendor must ensure:
  - **First Day To Use:** The first date on which the WIC Check or CVB may be used by the participant. WIC Checks or CVBs accepted prior to this date will not be paid. Dates must be checked carefully during transaction.
  - **Last Day To Use:** The last date on which the WIC Check or CVB may be used. Payment will not be made on WIC Checks or CVBs accepted after this date.
  - **Purchase Date:** The date the WIC Check or CVB was actually accepted from the participant.
  - **Description:** The quantities, sizes, and specific foods that must be purchased with the WIC Check or the dollar amount of the CVB.
  - **Amount of Sale:** The purchase price of the WIC foods. The vendor records the amount of sale in blue or black ink on the WIC Check or CVB at the time of the transaction before the Authorized Representative/Proxy (AR/Proxy) signs. The vendor must accept payment for the actual selling price, but no more than the maximum allowable reimbursement (MAR) amount for WIC Checks. For CVBs, the vendor must accept payment from the WIC Program for the actual selling price, not to exceed the fixed amount printed on the CVB. It is the AR/Proxy's responsibility to pay any amount, including applicable taxes, on any amount over the fixed amount printed on the CVB.

The vendor cannot withhold any item from the food package to avoid exceeding the MAR or refuse to redeem a WIC Check that exceeds the MAR. The vendor cannot charge the WIC participant for any amount in excess of the MAR for the specific WIC Check.

- **Signature of Recipient:** The AR/Proxy presenting the WIC Check or CVB to the cashier signs the WIC Check or CVB in blue or black ink on the signature line on the front of the check in the lower right-hand corner after the transaction is completed. The cashier then checks the signature on the WIC Check or CVB with the signature(s) on the yellow WIC ID Folder to verify the identity of the person(s) authorized to use the WIC Check or CVB. If the signature does not match a signature on the ID folder, the WIC Check or CVB should be returned to the participant and the participant referred to the local WIC Clinic for further assistance.
  - **Official Arkansas Vendor Stamp:** The vendor stamps the WIC Check or CVB, using the unique four (4) digit vendor number stamp prior to depositing into vendor's bank. WIC Checks or CVBs stamped with a previous owner's stamp will not be honored. Vendor stamps must be returned to the WIC Program office within 15 days of termination of the agreement.
4. **WIC Check and CVB Preparation and Submission for Payment** – Vendors must review all WIC Checks and CVBs to ensure they are completed correctly prior to submitting for payment. Properly completed WIC Checks and CVBs are to be submitted to the vendor's bank of deposit within 60 days from the "First Day to Use" date. The WIC Program must make payment to vendors within 60 days after valid WIC Checks and CVBs are submitted for redemption.
5. **Rejected WIC Checks** - WIC Checks and CVBs rejected for the following reasons can be corrected and redeposited by the vendor:
- A. Missing Vendor Number – vendor stamps the check(s) with the official stamp provided by the Arkansas WIC Program and redeposits.
  - B. Unreadable Vendor Number – vendor clarifies by re-stamping or writing in ink the vendor number next to the original stamp and redeposits. Be sure the 4-digit vendor number is right side up and legible.

WIC Checks or CVB Returned Over the Max – ACH Applied – Vendors should not redeposit WIC Checks or CVBs returned for being over the NTE or fixed-price:

- A. The WIC Program's bank will reject any WIC Check that lists a purchase amount above the 112% of the peer group average, which is the Not to Exceed (NTE) amount. The WIC Program bank will also reject any CVB that lists a purchase amount above the fixed-price printed on the CVB.
- B. The rejected WIC Checks or CVBs will be stamped "Returned Over the Max – ACH Applied" and returned to the vendor's bank.
- C. The vendor does not need to resubmit the WIC Check or CVBs stamped "Returned Over the Max – ACH Applied". At the end of the week, the vendor's bank account will be credited up to the amount of the NTE for these WIC Checks or the fixed-price for the CVBs.
- D. This applies to all vendor types.

WIC Checks or CVBs rejected for the following reasons will not be paid:

- A. Unauthorized vendor number
- B. Altered (including use of correction fluid)
- C. Purchase date prior to "First Day to Use" printed on check

- D. Purchase date after “Last Day to Use” printed on check
- E. Stale - deposited or redeposited more than 60 days after the “First Day to Use”
- F. Second presentment
- G. Redeemed prior to vendor authorization
- H. Missing signature or signature not on signature line in lower right-hand corner of the WIC Check or CVB.

WIC Checks and CVBs in the possession of the vendor that were damaged upon receipt or prior to bank deposit may be sent to the WIC Program State Office for review and possible approval for direct deposit. Valid checks with errors that would prevent normal processing at the vendor’s bank (switched cash register endorsements, vendor stamp upside down, strike through on amount of purchase, check printing errors, etc.) detected prior to depositing in the vendor’s bank may also be sent in for review. WIC Checks/CVBs must be submitted for review no later than 60 days after the FDTU.

## **6. WIC Check and CVB Disposition –**

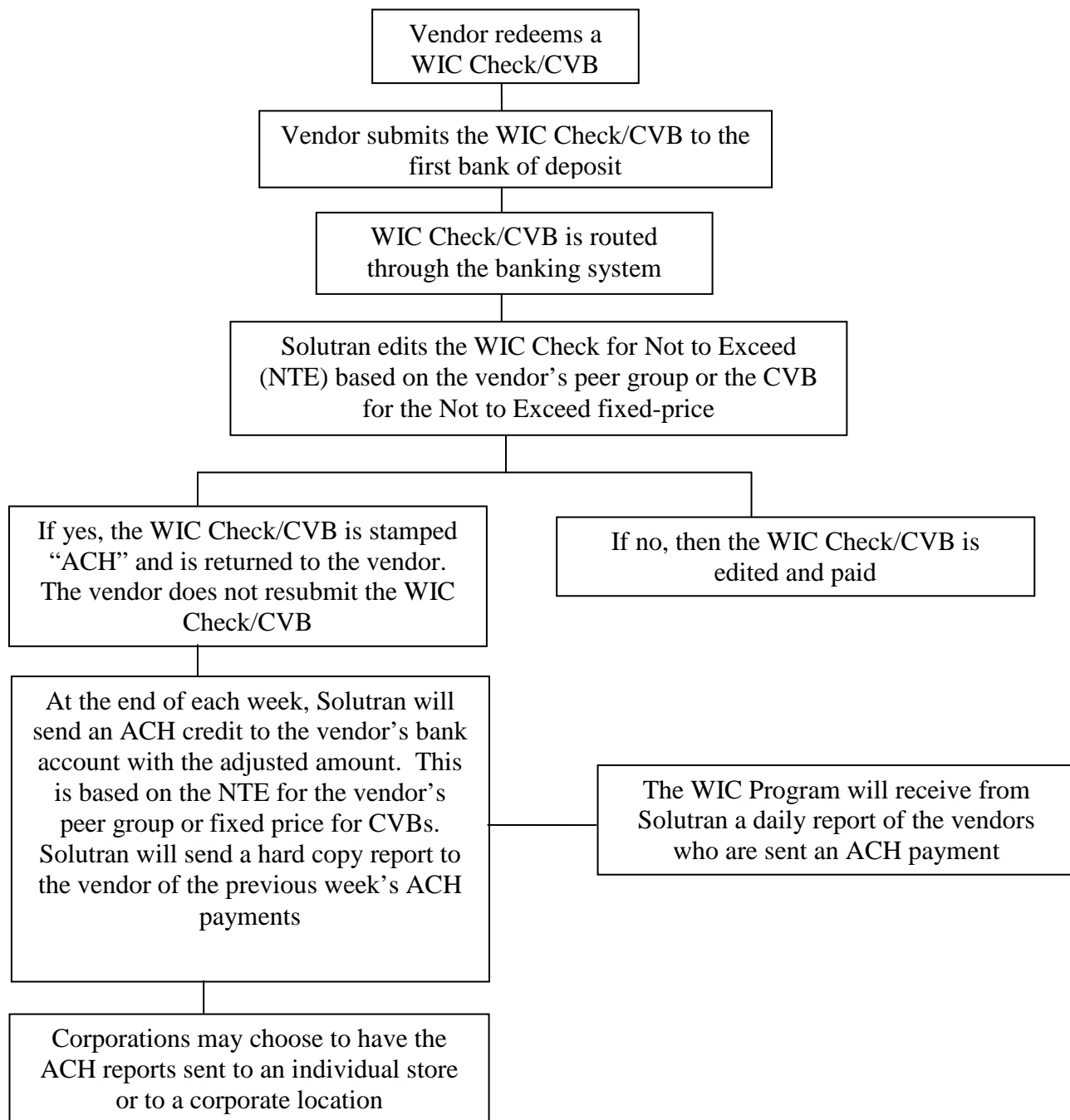
- A. **WIC Checks and Cash Value Benefit (CVB) Redeemed by Vendors** - The Arkansas WIC Program has contracted Solutran, 3600 Holly Lane, Suite 60, Minneapolis, MN 55447 for processing of all WIC Checks and CVBs redeemed by vendors. The automated system reviews all WIC Checks and CVBs submitted for redemption to ensure compliance with price limitations and to detect overcharges or other errors. The review of WIC checks includes an edit designed to ensure compliance with the MAR and to assist in detecting vendor overcharges. The Food Delivery Section Manager will review on an as needed (no less than monthly) basis Solutran summary reports and screen shots of a random sample of WIC Checks and CVBs to ensure integrity of the system.

The system used by Solutran has in place edits that detect the following errors on redeemed WIC Checks and CVBs: purchase price missing, signature missing, vendor ID missing, vendor bank encoding error on purchase price, transactions before or after the specified time period and altered purchase price. The WIC Program must take follow-up measures on errors with 120 days of the redeemed date on WIC Checks and CVB and implement procedures to reduce the number of such errors.

The WIC Program’s bank will reject any WIC Check that lists a purchase amount above 112% of the peer group average, which is the Not to Exceed (NTE) amount. The rejected WIC Check will be returned to the vendor’s bank. The vendor should work with their bank regarding returned item charges.

The vendor does not resubmit WIC Checks stamped “Returned Over the Max – ACH applied”. At the end of the week, the vendor’s bank account will be credited up to the amount of the NTE for all WIC Checks that exceeded the NTE. This process applies to all vendor types.

**Figure 1. AUTOMATED CLEARING HOUSE (ACH) PROCESS**



- B. **Voided WIC Checks and CVBs** – WIC Checks and CVBs voided by LHU staff due to printing errors, misaligned printing, etc. are first voided in the MIS. The check or CVB is then stamped “void” and retained by the LHU in numerical order of First Day to Use. Voided checks and CVBs are stored in a secured manner. Blank check stock that is damaged before printing or marked void by the printer (occurs when less than a full page of three checks is printed) is shredded by the LHU staff.
  - C. **Voided and Redeemed WIC Checks and CVBs** – WIC Checks and CVBs that are identified as being both voided and redeemed are automatically identified as such by the MIS. A monthly report is generated by Food Delivery Staff after the MIS End of Month process is completed. Staff then review bank records and work with the regional WIC Coordinators to document what occurred in each instance. Findings are entered into a spreadsheet and forwarded to the WIC Director. Any over issuance of benefits will result in the participant receiving an invoice for the amount due.
7. **Adjustments to Payment of WIC Checks and Cash Value Benefit (CVB)** - The WIC Program may issue a claim for the full purchase price of the WIC Check or CVB that contains a vendor overcharge or other error. The claim will be sent to the vendor via certified mail. With justification and proper documentation, the WIC Program may pay vendors for WIC Checks and CVBs that have been submitted for redemption after the specified period for redemption. If the total value of a WIC Check or CVB submitted at one time exceeds \$500, the WIC Program must obtain FNS Regional Office approval before payment.
8. **Employee Fraud and Abuse Related to Issuance of WIC Checks or CVBs** – Employee fraud and abuse means the intentional conduct of a State or Regional Office or LHU/WIC Clinic employee which violates Federal, State, or local law, program regulations, policies, or procedures, including, but not limited to, misappropriating or altering WIC Checks or CVBs, entering false or misleading information in participant folder, or creating participant folders for fictitious participants. An employee is subject to policies governing employee discipline. All instances of employee abuse must be reported to the WIC State Office, the Regional WIC Coordinator and the employee’s supervisor. See general WIC Program policy for more detail.
9. **Arkansas WIC Checks/CVBs Redeemed by Vendors Not Authorized by the Arkansas WIC Program** – The Arkansas WIC Program will not pay vendors that it has not authorized, for redeemed Arkansas WIC Checks/CVBs even if the vendor is authorized by another state or ITO WIC Program.

## **XV. DIRECT DELIVERY OF EXEMPT/SPECIAL FORMULA**

1. The Arkansas WIC Program Food Delivery System includes direct delivery of exempt/special formula. Formula is drop-shipped directly from the manufacturer or authorized distributor(s) to LHUs and WIC Clinics. The Program may also opt to purchase exempt/special formula from a USDA/FNS approved distribution company.
2. Designated staff in each LHU or WIC Clinic is responsible for ordering, maintaining inventory, and issuing exempt/special formula. Details regarding exempt/special formula inventory management are included in the Arkansas WIC Policy Manual.
3. FDLs are responsible for conducting periodic audits (at least three (3) times annually) of each LHU and WIC Clinic that maintains an exempt/special formula inventory. Audit results are reported to the administrator of the LHU/WIC Clinic, regional WIC Coordinators, and WIC Program State Office Food Delivery Section staff.
4. Regional WIC Coordinators, with the assistance of the Food Delivery Section staff, are responsible for relocating excess exempt/special formula to ensure that stock does not expire.
5. Formula inventories in LHU/WIC Clinics must be maintained in a locked, secure, environmentally safe area, i.e., well-ventilated, free from contaminants, pests or hazardous substances. Formula must be stored off the floor to ensure adequate ventilation.

## **XVI. WIC/SNAP INFORMATION SHARING**

1. The WIC program participates in reciprocal notification of disqualifications with SNAP. WIC disqualifications for state sanctions (based on points system) are not reported to SNAP; disqualifications involving federal sanctions are reported to SNAP.
2. Notifications are exchanged via e-mail with SNAP representatives. All e-mails are acknowledged by the WIC program regardless of whether or not the SNAP vendor is an Arkansas WIC authorized vendor.
3. Copies of the notifications are kept on file for seven years (or longer if the SNAP disqualification is permanent).
4. When SNAP notifies the WIC Program of any SNAP disqualifications, the vendor is disqualified from the WIC program.
5. The WIC program will notify SNAP of any investigation involving possible vendor fraud which it is conducting on a SNAP authorized vendor.
6. If a vendor is under investigation by both WIC and SNAP, the SNAP investigation will take priority and the WIC Program will cooperate fully with the SNAP investigators.

## **APPENDIX A: PROGRAM DEFINITIONS**

**Above 50-percent Vendor** – A vendor with total annual sales of WIC foods with WIC Checks and CVBs more than 50% of the vendor's total annual sales of foods eligible for purchase with Supplemental Nutrition Assistance Program benefits (SNAP Eligible Foods, see Vendor Application-Appendix A).

**Approved Food List** – A list of those foods that meet the specifications established by Federal WIC Regulations and the Arkansas WIC Program.

**Authorized Representative or Proxy** - A person chosen by the participant/responsible adult who is allowed to purchase WIC food in the grocery store for the participant. The person's name and signature must appear on the yellow WIC ID Folder.

**Automated Clearing House (ACH)** – An electronic payment mechanism used by the Arkansas WIC Program's contract bank to accumulate and credit vendors' bank accounts with an appropriate amount up to the not-to-exceed amount on WIC Checks deposited. The ACH is used to adjust checks that have been erroneously deposited for amount above the NTE.

**Cash Value Benefit (CVB)** – a monetary benefit a participant can use to purchase authorized fresh or frozen fruits and vegetables. CVBs are issued in increments of 6, 8, 10, and 15 dollars. CVBs are negotiable bank drafts, printed on the same check stock as WIC Checks, but different regulations apply to their use and redemption.

**Cessation of Operations** – A store is closed for more than 90 days.

**Change of Ownership** –All, or substantially all (more than 50%), of the assets of the store are sold or transferred to a new owner or business entity.

**Change of Location** - Moving a store from one city or township to another.

**Claim** – A demand for reimbursement for WIC Check(s) or CVB(s) improperly redeemed and paid.

**Civil Money Penalty** – Punitive assessments imposed for mandatory vendor sanctions when the State Agency determines that disqualification of the vendor will result in inadequate participant access.

**Competitive Pricing** – The prices a vendor or vendor applicant charges for WIC supplemental foods compared to the prices charged by other vendor applicants and/or authorized vendors in the vendor's peer group, as determined by the Arkansas WIC Program.

**Compliance Buy** – A covert, on-site investigation in which a representative of the WIC Program Poses as a participant, parent or caretaker of an infant or child participant, or proxy transacts one or more WIC Checks or CVBs, and does not reveal during the visit that he or she is a program representative.

**Dual State/ITO Vendors** – An authorized Arkansas WIC vendor that is also authorized by a bordering state or ITO's WIC Program.



**Fine** – A monetary penalty imposed by the WIC Program on a vendor for a violation of WIC Program rules.

**Full Service Grocery Store** – A retail store that stocks, at a minimum, all of the following food groups: canned, fresh and frozen fruits and vegetables; fresh and frozen meats and poultry (luncheon meats and deli meats do not qualify); canned fish; dairy products; cereals; breadstuffs; dried beans; infant fruits, vegetables and cereal; and infant formula.

**Incentives** – Providing any inducements to WIC participants, authorized representatives or proxies to shop in a store or recruit other customers including WIC participants to shop in the store. Incentives include but are not limited to:

- Providing cash, gifts, gift cards, gift certificates, coupons or any other type remuneration;
- Providing items including food or other products;
- Providing services including transportation to or from the store or delivery of WIC foods;
- Selling incentive items below cost;
- Lottery tickets, lotteries, prize and/or cash drawings, chances, or raffles of any type;
- Sales and specials on WIC approved food items unless the food was obtained by the vendor at no cost and does not result in charging the WIC Program for more food than listed on the WIC Check or CVB.

**Local WIC Clinic/Health Unit** – The authorized clinic that provides WIC Program services to WIC participants in a specific area.

**Maximum Allowable Reimbursement (MAR)** - Is equal to the Not To Exceed (NTE) amount for the respective regular vendor's peer group by type of WIC Check.

**New Vendor** – A vendor not previously authorized by the WIC Program. A store with a change in ownership, a store with a change in location, and/or a store that resumes business after cessation of operations for more than 90 days are all considered new vendors.

**Not to Exceed (NTE) Amount** – This is the highest reimbursement price for regular vendors for a WIC Check for a specific food package. A NTE is calculated for each WIC Check for each peer group and sent with a daily WIC Check issuance file to the Arkansas WIC Program contract bank.

**First Day to Use** – The date indicated in the upper right hand corner of the WIC Check. WIC Checks cannot be redeemed before this date. This date is sometimes called the “Issue Date”.

**Overcharge** – Charging the WIC Program more than the lowest price available to other customers, more than sale or special prices, more than price lists or shelf prices posted in the store, or more than is permitted under the vendor agreement.

**Participant** – Pregnant women, breastfeeding women, postpartum women, infants and children who are receiving supplemental foods or WIC Checks or CVBs, under the WIC program, and the breastfed infants of participant breastfeeding women.

**Participant Violation** – Any intentional action of a participant, parent or caretaker of an infant or child participant, or proxy that violates Federal or State statutes, regulations, policies, or procedures governing the Arkansas WIC Program. Participant violations include intentionally making false or misleading statements or intentionally misrepresenting, concealing, or withholding facts to obtain benefits;

exchanging CVBs, WIC Checks or supplemental foods for cash, credit, non-food items, or unauthorized food items, including supplemental foods in excess of those listed on the participant's WIC Check; threatening to harm or physically harm clinic or vendor staff; and dual participation.

**Price Limitations** - The maximum allowable reimbursement (MAR) amounts for each type of redeemed WIC Check for each vendor peer group and/or vendor type.

**Proxy** – Any person designated by a women participant, or by a parent or caretaker of an infant or child participant, to obtain and transact WIC Checks or CVBs or to obtain supplemental foods on behalf of a participant. The proxy must be designed consist with the Arkansas WIC Program procedures established according to federal regulations. Parents or caretakers apply on behalf of children and infant participants are not proxies.

**Shelf Price** – Regular purchase price of a WIC approved food.

**Reauthorization Process** – The reauthorization process begins when applications for renewal of authorization are sent to existing vendors. The reauthorization process may include revisions to the vendor agreement and/or handbook.

**Regular Vendor** – A vendor with total annual sales of WIC foods with WIC Checks and CVBs 50% or less than the vendor's total annual sales of foods eligible for purchase with Supplemental Nutrition Assistance Program benefits (SNAP Eligible Foods, see Vendor Application-Appendix A).

**Supplemental Nutrition Assistance Program (SNAP)** – Formerly the Food Stamp Program, SNAP is the USDA Food and Nutrition Service's food assistance program for eligible low-income people and families. SNAP provides food benefits and partners with nutrition education providers.

**Trafficking** – Exchanging (buying or selling) WIC Checks or CVBs for cash.

**Vendor** – A full service grocery store applying for authorization or authorized by the Arkansas WIC Program to provide WIC foods to WIC Program participants. The store may be operated by a sole proprietorship, partnership, cooperative association, corporation, government commissary, or other business entity. Each store operated by a business entity is a separate vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location. The store may not be owned or operated by a non-profit organization. (See Vendor Application-Vendor Application Process, Appendix B)

**Vendor Type** – WIC Program vendors may be one of two types: "Regular Vendors" or "Above 50-percent Vendors".

**Violation** – An infraction of program regulations, policies, or agreements.

**Last Day to Use** – A date indicated on the right-hand column of the WIC Check. WIC Checks cannot be redeemed after this date. The date is sometimes called "Void After" date.

**WIC** – The acronym for the Special Supplemental Nutrition Program for Women, Infants, and Children authorized by Section 17 of the Child Nutrition Act of 1966, as amended. (42 USC 1786).

**WIC Approved Foods** – Foods that meet specifications established by WIC Federal Regulations and the Arkansas WIC Program.

**WIC Program** – Administering unit for the Arkansas WIC Program, within the Arkansas Department of Health.

**WIC Check** – The negotiable bank draft that is used by participants in the Arkansas WIC Program to purchase the WIC foods, also known as a WIC Check. This WIC Check lists foods and food quantities for the participant.

**WIC Identification Folder (ID Folder)** – A yellow folder given to authorized WIC participants showing signature(s) of the person or persons who are authorized to redeem the WIC checks or CVBs.

## **APPENDIX B: PROCEDURES FOR CERTIFIED MAIL**

1. Prepare an Original Certified Log with all WIC Authorized Vendors from current WIC Vendor Listing (Numerical). Always include the name of the mail-out, date of letter, and numeric vendor number.
2. Prepare an original certified log for all corporate offices. Always include the name of the mail-out, date of letter, and numeric vendor number.
3. Keep on hand a complete set of certified cards for each set of certified logs. These cards should be checked (✓) 'certified' and stamped with the WIC return address stamp.
4. Keep on hand return address envelopes already stamped with the 'Slot 43' stamp.
5. Vendor labels should be peeled from the left to right side of the label sheet when putting them on envelopes to keep the vendor numbers in order.
6. When preparing certified mail to be sent out:
  - a. Make sure envelopes are pre-stamped with Slot 43.
  - b. Make two set of vendor address labels, one for the green card (PS-3811) and one for the envelopes. Before mailing, include on the green certified card a notation about the purpose of the mailing. For instance, if the mailing is vendor stamps, write 'Vendor Stamps' on the card.
  - c. Take the green certified mail receipt (PS-3800) and peel off the 16 digit number strip located on the top of the receipt. Place the strip at the bottom of the green card in the area marked "Article Number".
  - d. Attach the bar code sticker to front of envelope, leaving room for the postage.
  - e. Attach green card to back of envelope.
  - f. When entering the certified stamp number on the certified log, always record in numeric vendor order and write the vendor number on the log.
  - g. Fill in the receipt #, vendor name and address, vendor # on log sheet.
  - h. Make a copy of the completed log sheet for your records. Wrap the original copy of the log sheet for the 12 vendors recorded on the sheet around the envelopes with a rubber band.
  - i. Standard size certified mail should go to third floor mailroom (Freeway Medical).
  - j. Bulky/heavy certified mail should go ADH Mailroom (Central Office).
  - k. Make sure that the returned certified cards are routed to Food Delivery Section staff to record the receipt date for warning letters.
  - l. Undeliverable certified mail should be routed to Food Delivery Section staff.
  - m. Unclaimed certified mail should be routed to Food Delivery Section Manager.
  - n. After the Food Delivery Section staff records the dates, certified cards should be stapled to the appropriate letter and filed in the vendor's correspondence file.
7. Replenish the supply of complete envelopes and green cards (see #4 and #5).

## **APPENDIX C: VENDOR SANCTION SCHEDULE**

**Effective September 1, 2014 – August 31, 2015**

A vendor who commits fraud or abuse in the WIC Program is liable to prosecution under applicable federal, state and local laws. Those who have willfully misapplied, stolen or fraudulently obtained program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.

The following is the list of violations and sanctions that will be applied to vendors. In applying the sanctions listed, the WIC Program is under no obligation to determine a vendor's intent. The sanctions may be applied equally for error, ignorance or willful intent. The WIC Program will determine the impact of a potential vendor disqualification upon participant access to WIC Program benefits. A vendor may not withdraw from the WIC Program in order to avoid a sanction. Non-renewal of a vendor's agreement may not be used as an alternative to disqualification. Sanctions may include a claim for the value of WIC Checks and CVBs as well as administrative fines, disqualification and/or civil money penalties.

After disqualification for any length of time, a vendor must reapply and meet all WIC Program selection criteria before being readmitted to the Arkansas WIC Program. A vendor may not reapply during the disqualification period.

**NOTICE: Disqualification from WIC for violations 1 through 9 or 24 listed under Mandatory Federal Sanctions may result in disqualification as a retailer in the Supplemental Nutrition Assistance Program (SNAP). Such disqualification may not be subject to administrative or judicial review under the Supplemental Nutrition Assistance Program.**

**Second sanction: The second sanction received by a vendor for any violation listed in 2 through 9 or 24 under Mandatory Federal Sanctions will result in doubling the sanction for the second violation. The second violation and sanction may be different from the previous violation and sanction. Civil money penalties may only be doubled up to the limit of \$11,000 per violation or \$49,000 per investigation.**

**Third or subsequent sanction: The third or subsequent sanction received by a vendor for any violation in 2 through 9 or 24 under Mandatory Federal Sanctions will result in doubling the third sanction and all subsequent sanctions. The third or subsequent violation and sanction may be different from any previous violation and sanction. A civil money penalty may not be imposed in lieu of disqualification for the third and subsequent sanctions.**

**Failure to pay Civil Money Penalty: Disqualification for the mandatory time period related to the violation.**

### **Mandatory Federal Sanctions**

1. Vendor is convicted in court for the crime of trafficking in WIC Checks or CVBs or for selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.

**Sanction: Permanent disqualification effective upon receipt of notification OR the WIC Program may impose a Civil Money Penalty in lieu of a disqualification for Violation 1 when it determines, in its sole discretion, and documents that a) the disqualification of the vendor would result in inadequate participant access; or b) the vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation. Civil money penalties shall not exceed \$11,000 for each violation and shall not exceed \$49,000 for a single investigation.**

2. First instance of a vendor buying or selling WIC Checks or CVBs for cash (trafficking) or first instance of selling firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.

**Sanction: Six (6) year disqualification with 15-day notice.**

3. Vendor has one incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC Checks or CVBs.

**Sanction: Three (3) year disqualification with 15-day notice.**

4. Vendor claims reimbursement for the sale of an amount of a specific WIC food item that exceeds the store's documented inventory of that WIC food item for a specific period of time.

**Sanction: Three (3) year disqualification based on one inventory audit of one month's inventory of two or more WIC foods or two or more months' inventory of one WIC food.**

5. Vendor engages in a pattern of overcharging the WIC Program.

**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**

6. Vendor receives, transacts and/or redeems WIC Checks or CVBs outside authorized channels, including an unauthorized vendor or an unauthorized person.

**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**

7. Vendor charges WIC Program for food not received by the participant and/or authorized representative.

**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**

8. Vendor provides credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances in exchange for WIC Checks or CVBs.

**Sanction: Three (3) year disqualification for three documented incidents within a period of three (3) years.**

9. Vendor provides unauthorized foods in exchange for WIC Checks or CVBs and/or charges for food in excess of that listed on the WIC Check or CVB.

**Sanction: One (1) year disqualification for three documented incidents within a period of three (3) years.**

10. Vendor is disqualified from the Supplemental Nutrition Assistance Program (SNAP).

**Sanction: Disqualification for the same length of time as the Supplemental Nutrition Assistance Program disqualification. The WIC disqualification may begin at a later date than the**

**Supplemental Nutrition Assistance Program disqualification and is not subject to administrative or judicial review under the WIC Program.**

**\*See Sanction #24 – additional federal sanction**

### **Arkansas WIC Program Sanctions**

*Sanction points for violations 12 – 23 will accumulate for a period of three (3) years from the date of notification of the violation. Points still valid at the end of a vendor agreement period will carry over to any new agreement period. A total of twelve (12) sanction points, from any combination of violations, will result in disqualification for a period of six (6) months. A total of twenty (20) sanction points, from any combination of violations, will result in disqualification for a period of one (1) year. Vendors who are disqualified may not reapply for authorization until the disqualification period has ended.*

11. Vendor is disqualified from another state's WIC Program based on a mandatory federal sanction.  
**Sanction: Disqualification from the Arkansas WIC Program for the same amount of time as the other state's period of disqualification. The disqualification may begin at a later date than the sanction imposed by the other WIC State agency. The State agency must determine if disqualification of the vendor would result in inadequate participant access.**
12. Vendor fails to provide all food on the WIC Check when the foods are available in the store even if the total price exceeds the maximum allowable reimbursement amount for the WIC Check or refuses to allow the purchase of a WIC approved food.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in the assessment of the value of WIC Check/CVB and two (2) sanction points.**
13. Vendor fails to enter price before WIC Check or CVB is signed during a compliance buy.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in a claim for the value of each WIC Check or CVB, a fine of \$100, and two (2) sanction points.**
14. Vendor fails to verify signature on WIC Check or CVB by comparing signature to WIC identification folder during a compliance buy.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. At least thirty (30) days after receipt of the warning letter any additional documented incidents will result in two (2) sanction points.**
15. Vendor alters any information written or printed by WIC personnel on a WIC Check or CVB, or alters/manufactures supporting documentation (such as cash register receipts) in an attempt to receive payment for the WIC Check or CVB.  
**Sanction: A warning letter is issued to the vendor for the first documented incident. A claim for the purchase amount of any WIC Check or CVB paid and six (6) sanction points for each incident after the first warning letter is received by the vendor.**
16. Vendor charges participant, authorized representative, or proxy for any portion of a WIC Check transaction. (Note: Participants are allowed to pay amount, including tax, over monetary value of CVB(s) on CVB transactions. See Section II, #13)

**Sanction:** A warning letter is issued to the vendor for the first documented incident. For each documented incident after the first warning letter is received by the vendor, a fine of \$100 and three (3) sanction points will be assessed for each subsequent violation.

17. Vendor fails to provide WIC representative(s) access to the store during posted business hours for vendor education or monitoring, including access to sales, invoice, or inventory records during a routine store visit.

**Sanction:** A warning letter is issued to the vendor for the first documented incident. Six (6) sanction points for each subsequent incident after receipt of initial warning letter.

18. Vendor fails to maintain prices at or below the competitive price selection criteria standards or the WIC Program is unable to determine shelf prices because vendor has not posted them clearly.

**Sanction:** Initial violation will result in a warning letter giving the vendor the opportunity to make adjustments in prices or post prices within the timeframe specified in the letter. Each subsequent violation after a 30-day period will result in three (3) sanction points.

19. Vendor fails to pay a claim for exceeding the maximum allowable reimbursement (MAR) amount, for a WIC Check or CVB improperly paid, or for any sanction imposed due to a federal or state violation.

**Sanction:** After the initial 30 days to pay the claim, the Vendor will be sent a warning letter and be given an additional 30 days to pay claim. If the payment is not received after the warning letter, twelve (12) sanction points will be assessed, resulting in a six (6) month disqualification.

20. Vendor fails to maintain minimum stock as listed in Appendix A of the Vendor Participation Agreement and Handbook or as specified in a written waiver approved by the WIC Program, during a monitoring visit or compliance buy.

**Sanction:** For the first violation, a warning letter will be issued to the vendor. For the next (2<sup>nd</sup>) violation after a 30-day period from the receipt of the warning letter, two (2) sanction points will be assessed and vendor must participate in mandatory training. For the next (3<sup>rd</sup>) violation after a 15-day period from the 2<sup>nd</sup> violation, the vendor will be assessed three (3) sanction points and a \$100 fine. The next (4<sup>th</sup>) violation after a 15-day period from the 3<sup>rd</sup> violation, eight (8) sanction points will be assessed. An unannounced monitoring visit will be made after the specified period following each violation. Vendors that have no minimum stock violations in a 12-month period after a satisfactory monitoring visit will, at that point, start the process over again with any new incident. However, the sanction points earned will remain for a period of three (3) years.

21. Vendor uses the WIC acronym or logo, including close facsimiles thereof, in total or in part, either in the official name in which the vendor is registered or the name under which it does business, if different, on incentive items, on product labels or packages, store signs, pamphlets, advertisements, brochures or any other proprietary materials.

**Sanction:** A warning letter is issued to the vendor for the first documented incident. Two (2) sanction points will be assessed if the vendor fails to remove the acronym or logo within the timeframe specified in the initial warning letter.

22. Vendor fails to submit a complete and accurate shelf price survey by the deadline established by the Arkansas WIC Program.

**Sanction:** A warning letter is issued to the vendor for the first documented incident. Mandatory training is required for the second documented incident. One (1) sanction point will be assessed for all following incidents.



23. Vendor fails to maintain correct placement of Arkansas WIC Program approved tags on Arkansas WIC approved items (8 or more missing tags in each of 2 or more food item sections).

**Sanction: A warning letter is issued to the vendor for the first documented incident. Mandatory training is required for the second documented incident. One (1) sanction point will be assessed for the third and subsequent incidents. Vendors that have no Sanction 23 violations in a 12-month period will, at that point, start the process over again with any new incident. However, the sanction points earned will remain for a period of three (3) years.**

**Additional Federal Sanction:**

24. Vendor offers incentive item or service to a WIC participant/authorized representative/ proxy that is not offered to non-WIC customers OR denies incentive item or service to a WIC participant/authorized representative/proxy that is offered to non-WIC customers. These items and services include but are not limited to: store loyalty or rewards cards, membership club benefits, promotions such as buy-one-get-one-free, buy-one-get-one-at- reduced price, free ounces added to food item by manufacturer, transaction discounts, and manufacturer/store coupons.

**Sanction: Sanction: One (1) year disqualification for three documented incidents within a period of three (3) years.**

# APPENDIX D:

## Arkansas WIC Program WIC-13 Monitoring Visit Form Quarterly Monitoring Visit

(insert month/year)

Name of Vendor:	Vendor #	City:	Vendor Phone:
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### Cheese - Must Be Refrigerated – 8 pounds total

American <input type="checkbox"/> Cheddar <input type="checkbox"/> Colby <input type="checkbox"/> Colby-Jack <input type="checkbox"/> Mozzarella <input type="checkbox"/>	16 oz. pkg.	Highest Price:
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?

### Eggs – Must Be Refrigerated – Grade A or AA Medium/Large, White Eggs – 6 dozen

Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Highest Price:
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/> No <input type="checkbox"/>	

### Milk Vitamin D or A/D Fortified - see numbers below for each milk container type

Gallon	Whole <input type="checkbox"/> (3) 1%, Skim <input type="checkbox"/> (6)	Highest Price:	
Half-Gallon	Whole <input type="checkbox"/> (3) 1%, Skim <input type="checkbox"/> (4)	Highest Price:	
Half-Gallon Lactose Free Milk	Whole <input type="checkbox"/> 1%, Skim <input type="checkbox"/>	Highest Price:	
Soy Beverage	½ Gallon <input type="checkbox"/>	Highest Price:	
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/> No <input type="checkbox"/>

### Juice - 100% Pure Juice - 8 containers of each type

11-12 oz Frozen	Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/>	Highest Price:	
46-48 oz Bottle or Can	Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/>	Highest Price:	
64 oz Bottle or Carton	Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/>	Highest Price:	
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/> No <input type="checkbox"/>

**Whole Grain Products – 4 loaves and 4 pkgs. of any combination of other 3 items**

Bread	Meets Minimum: Yes <input type="checkbox"/> No <input type="checkbox"/>	Highest Price:	
Tortillas; Brown Rice; Oatmeal Whole Wheat Pasta	Meets Minimum: Yes <input type="checkbox"/> No <input type="checkbox"/>	Highest Price: T _____ BR _____ O _____	
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/> No <input type="checkbox"/>

**Cereal – 36 boxes total cold and hot**

Cold Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/>	Container Size:	Highest Price:	
Hot Variety: 1 <input type="checkbox"/>	Container Size:	Highest Price:	
12 boxes qualified as whole grain cereal? Yes <input type="checkbox"/> No <input type="checkbox"/>			
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/> No <input type="checkbox"/>

**Infant Cereal – 6 boxes**

Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Highest Price:
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/> No <input type="checkbox"/>	

**Infant Foods – 48 jars vegetables and fruits and 16 jars meat**

Vegetables: Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>	#if less than min.	Highest Price:	
Fruits: Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>		Highest Price:	
Meats: Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/>	#if less than min.	Highest Price:	
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/> No <input type="checkbox"/>

**Infant Formula – see numbers below for each formula type**

If Not on Shelf, a Sign Must Be Posted Indicating where the Formula is Located

<b>Name of Formula:</b> Gerber Good Start Gentle, pwd (15) Gerber Good Start Soy/Soothe, pwd (11) (circle one)	#if less than min. 1. _____ 2. _____	<b>Prices:</b> Gentle : _____ Soy : _____ Soothe : _____ Protect : _____	
Meets Minimum Stock Requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Price Clearly Marked?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Waiver Granted for this Category?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Expiration/Sell By Date Valid?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Reviewed Invoices to Determine Where Infant Formula is Purchased?	Yes <input type="checkbox"/> No <input type="checkbox"/>		

List where purchased: \_\_\_\_\_

### Beans/Peas—Dry and Canned

Canned Beans	16 cans	Variety: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>				Highest Price:					
Dry Beans	6 packages	Yes <input type="checkbox"/> No <input type="checkbox"/>				Highest Price:					
Meets Minimum Stock Requirements?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Price Clearly Marked?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Waiver Granted for this Category?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Expiration/Sell By Date Valid?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

### Peanut Butter – 6 jars

Meets Minimum Stock Requirements?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Price Clearly Marked?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Highest Price:
Waiver Granted for this Category?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Expiration/Sell By Date Valid?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	

### Fish – Chunk Light Tuna in Water, Pink Salmon, Sardine – 10 cans

Meets Minimum Stock Requirements?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Price Clearly Marked?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Highest Price:
Waiver Granted for this Category?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Expiration/Sell By Date Valid?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	

### Fresh Fruits and Vegetables - \$45 dollars (may include frozen in value calculation)

Variety Veg:	Price:	Variety Fruit:				Price:				
Variety Veg:	Price:	Variety Fruit:				Price:				
Meets Minimum Stock Requirements?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Price Clearly Marked?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Expiration/Sell By Date Valid?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>						

Circle:

Y	N	Is the "Authorized WIC Vendor" Sign Posted?
Y	N	Vendor Possesses Current WIC Vendor Handbook and Agreement?
Y	N	Reviewed Violations and Sanctions? (This visit – # _____ )
Y	N	Food List at Register (Spot Check)?      Need Additional Food Lists? # _____
Y	N	Minimum Stock Available?
Y	N	Current Dates on Food (Spot Check)?
Y	N	Shelf Tags Indicate Approved Foods?      Need Additional Shelf Tags? # _____
Y	N	Reviewed WIC Check and CVB Redemption Procedures?
Y	N	Additional Training Needed? Specify:

# FOOD INSTRUMENT REVIEW – 5 RANDOM

Number \_\_\_\_\_

Correct Products Purchased ☐ Amount of Sale Not Recorded

Redeemed Outside Dates ☐ Alterations on Food Instrument

Signature Not in Correct Space

Over 60 Days from First Day to Use

Cash Register Endorsement Does Not Match Amount of Sale

Number \_\_\_\_\_

Correct Products Purchased ☐ Amount of Sale Not Recorded

Redeemed Outside Dates ☐ Alterations on Food Instrument

Signature Not in Correct Space

Over 60 Days from First Day to Use

Cash Register Endorsement Does Not Match Amount of Sale

Number \_\_\_\_\_

Correct Products Purchased ☐ Amount of Sale Not Recorded

Redeemed Outside Dates ☐ Alterations on Food Instrument

Signature Not in Correct Space

Over 60 Days from First Day to Use

Cash Register Endorsement Does Not Match Amount of Sale

Number \_\_\_\_\_

Correct Products Purchased ☐ Amount of Sale Not Recorded

Redeemed Outside Dates ☐ Alterations on Food Instrument

Signature Not in Correct Space

Over 60 Days from First Day to Use

Cash Register Endorsement Does Not Match Amount of Sale

# SHELF TAG AUDIT TOOL

SECTION 1	Tags Missing
Frozen Juice	
Shelf Juice	
Refrigerated Juice	
SECTION TOTAL	
SECTION 2	
Soy Beverage	(R)____(SS)____
Milk-Refrigerated	
Milk-Evaporated	
Milk-Non- Fat PWD	
Cheese	
Eggs	
SECTION TOTAL	
SECTION 3	
Peanut Butter	
Fish	
SECTION TOTAL	
SECTION 4	
Canned Beans/Peas	
Dry Beans/Peas	
SECTION TOTAL	
SECTION 5	
Brown Rice	
Bread	
Tortillas	
Whole Wheat Pasta	
SECTION TOTAL	
SECTION 6	
Cereal/Oatmeal	
SECTION 7	
Infant Fruits/Vegetables	
Infant Meat	
Infant Cereal	
SECTION TOTAL	
SECTION 8	
Formula	

Number _____	
Correct Products Purchased <input type="checkbox"/>	Amount of Sale Not Recorded <input type="checkbox"/>
Redeemed Outside Dates <input type="checkbox"/>	Alterations on Food Instrument <input type="checkbox"/>
Signature Not in Correct Space	
Over 60 Days from First Day to Use	
Cash Register Endorsement Does Not Match Amount of Sale	

0 FOOD INSTRUMENTS AVAILABLE FOR REVIEW ☐

### WIC Quarterly Monitoring Visit Vendor Signature Page

Name of Vendor:	Vendor Number:
City:	Vendor Phone:

☐ Met minimum stock      ☐ Did not meet minimum stock: \_\_\_\_\_

☐ Eight (8) or more shelf tags missing in section:

☐ Section 1: Juice – frozen, shelf, refrigerated

☐ Section 2: Milk- refrigerated, evaporated and powdered; soy beverage; eggs; cheese

☐ Section 3: Peanut butter; fish

☐ Section 4: Canned beans/peas; dry beans/peas

☐ Section 5: Bread; brown rice; tortillas; whole wheat pasta

☐ Section 6: Cereal – cold and hot; oatmeal

☐ Section 7: Infant foods – cereal, fruits, vegetables, meats

☐ Section 8: Infant Formula

ADDITIONAL COMMENTS:

***YOUR SIGNATURE CONFIRMS THAT YOU RECEIVED AND UNDERSTAND THE INFORMATION AND TRAINING PROVIDED TO YOU BY THE WIC REPRESENTATIVE.***

Store Representative's Name and Title <b>(Printed)</b> :	Date:
Store Representative's Signature:	
WIC Representative's Name and Title <b>(Printed)</b> :	Date:
WIC Representative's Signature:	

## **APPENDIX E: METHODOLOGIES FOR DERIVING COMPETITIVE PRICE SELECTION CRITERIA AND ESTABLISHING MAXIMUM ALLOWABLE REIMBURSEMENT LEVELS**

### **I. Competitive Price**

Methodology used to derive competitive price selection criteria levels:

- A. Shelf prices of WIC approved supplemental foods are collected three (3) times per year for all vendors. Shelf prices of regular vendors are used to calculate the peer group average for each food category. Prices are collected for the full range of WIC approved foods. Vendors may be asked to provide shelf prices via a printed price survey, an electronic survey, or on-site collection of prices by Food Delivery Section staff. Prices will be collected for the highest priced WIC approved food/variety in each food category. In food categories where the least expensive brand applies, this may not be the product that is normally sold but may be sold if the vendor is out of the least expensive brand.
- B. The determination of whether an applicant or vendor meets the competitive price selection criteria for authorization is based on the applicant's or vendor's shelf prices (and vendor's redemption history for reauthorization). Vendors with shelf prices at or below 110% of the average for their peer group meet the competitive price criteria.
- C. If an existing regular vendor's shelf prices do not meet the 110% cut-off, the vendor's redemption history for the 3-month period prior to reauthorization is reviewed. If the vendor's redemption history by food instrument type is at or below 110% of the average redemption amount for other regular vendors in the vendor's peer group, the vendor meets the competitive price selection criteria. Existing vendors who do not meet the criteria are informed and given one chance to lower their shelf prices.
- D. Vendors are required to maintain competitive prices throughout the agreement period. Shelf price surveys (3) and redemption data will be used to monitor vendors during the agreement period.
- E. Applicants and vendors that do not meet either the shelf price or redemption history criteria do not meet the competitive price selection criteria and are denied authorization or reauthorization.

### **II. Maximum Allowable Reimbursement**

Methodology for establishing the maximum allowable reimbursement levels for regular vendors:

- A. Not To Exceed (NTE) amount is calculated for each WIC Check type for each peer group in the MIS when the WIC Check is printed. The NTE is set at 112% of the regular vendor's shelf prices for each peer group to allow for fluctuations in wholesale prices.
- B. ADH IT sends the NTE/check type/peer group information to Solutran daily (M-F). The Arkansas WIC Program's check processor edits for NTE at time of presentment. If the



check amount of sale is over the NTE, the vendor's claim is rejected. The claim is then processed for payment at the NTE on the Friday following the presentment.

## APPENDIX F: VENDOR PEER GROUP SYSTEM

For FFY15, the Arkansas WIC Program will have 15 peer groups. The peer group criteria are in this order:

1. Geographic area (based on ADH regions and vendor ZIP codes)
2. Store type – Large chain/discount; Medium chain/commissary; and Independent
3. Other factors may also influence peer group placement, including ownership type, square footage, retail system (cost plus & limited brands) and shelf prices

If a geographic area has fewer than 5 vendors of a specific Store Type, those vendors/applicants will be assigned to the nearest geographic area having vendors with a similar Store Type.

After initial authorization, vendor peer group assignments will be assessed at least once a year.

1	Large Chain/Discount (Northwest)
2	Medium Chain (Northwest)
3	Independent (Northwest)
4	Large Chain/Discount (Northeast)
5	Medium Chain (Northeast)
6	Independent (Northeast)
7	Large Chain/Discount (Central)
8	Medium Chain/Commissary (Central)
9	Independent (Central)
10	Large Chain/Discount (Southwest)
11	Medium Chain (Southwest)
12	Independent (Southwest)
13	Large Chain/Discount (Southeast)
14	Medium Chain (Southeast)
15	Independent (Southeast)

## APPENDIX G: COMPLIANCE BUY FORM

### ARKANSAS WIC PROGRAM COMPLIANCE BUY/AUDIT REPORT

VENDOR \_\_\_\_\_ VENDOR NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ COUNTY \_\_\_\_\_

Posted days and times of store operations: \_\_\_\_\_

WIC Check			CVB	CVB Dollar Amount
	Quantity	Size	Description	
1	1	GALLON	2%, 1%, OR FAT-FREE MILK	
2	1	QUART	2%, 1%, OR FAT-FREE MILK	
3	1	UNIT	(4 CANS 14-16 OZ BEAN/PEA) OR (1-LB BAG DRY BEAN/PEA)	
4	1	64 OZ	CONTAINER JUICE	
5	2	UNITS	16OZ WHOLE GRAIN BREAD/OATMEAL/TORTILLAS/ 14-16OZ BROWN RICE/WW PASTA	
6				
7				

Describe what happened in the store during the Compliance Buy. Check either YES or NO:

1. Vendor refused to redeem the WIC Check and/or CVB YES ☐ NO ☐

COMMENTS \_\_\_\_\_  
\_\_\_\_\_

2. All of the foods listed on the WIC check and/or CVB were available in required quantities and sizes.  
If not, list the items that were not in stock. YES ☐ NO ☐

COMMENTS \_\_\_\_\_  
\_\_\_\_\_

3. The prices were clearly marked on the item or store shelf.  
If not, list the items that were not marked. YES ☐ NO ☐

COMMENTS \_\_\_\_\_  
\_\_\_\_\_

4. I was asked to accept another item in substitution for the WIC foods I attempted to purchase  
YES ☐ NO ☐

COMMENTS \_\_\_\_\_  
\_\_\_\_\_

Investigator's Signature \_\_\_\_\_

5. The cashier reviewed and verified my WIC Identification Folder YES ☐ NO ☐

COMMENTS \_\_\_\_\_

6. The cashier entered the purchase amount on the WIC check and/or CVB in my presence before I signed. WIC Check YES ☐ NO ☐ CVB YES ☐ NO ☐

COMMENTS \_\_\_\_\_

7. The total shelf price amount and register amount of purchase matched.

WIC Check YES ☐ NO ☐ CVB YES ☐ NO ☐

SHELF PRICE AMOUNT \$ \_\_\_\_\_

\$

REGISTER AMOUNT \$ \_\_\_\_\_

\$

ENTERED ON CK AMOUNT \$ \_\_\_\_\_

\$

COMMENTS \_\_\_\_\_

8. The vendor followed proper procedures in redeeming the WIC Check and/or CVB when obtaining my signature. WIC Check YES ☐ NO ☐ CVB YES ☐ NO ☐

COMMENTS \_\_\_\_\_

9. I was asked to pay cash for the food in addition to the WIC Check amount.

YES ☐ NO ☐

COMMENTS \_\_\_\_\_

10. I was asked if I had any more WIC Checks and/or CVBs and was offered credit or cash for them.

YES ☐ NO ☐

COMMENTS \_\_\_\_\_

11. I was asked to take my purchase to a register for WIC redemptions only. YES ☐ NO ☐

COMMENTS \_\_\_\_\_

12. I was advised that I could purchase only certain brands of foods when I had WIC approved foods.

YES ☐ NO ☐

COMMENTS \_\_\_\_\_

13. I observed an offense or violation of program rules, other than those listed above.

COMMENTS \_\_\_\_\_

\_\_\_\_\_

14. Additional Comments: \_\_\_\_\_

\_\_\_\_\_

Investigator's Signature \_\_\_\_\_

15. Description of the clerk or cashier

ETHNICITY White <input type="checkbox"/> Black <input type="checkbox"/> Hispanic <input type="checkbox"/> Other <input type="checkbox"/>		GENDER Male <input type="checkbox"/> Female <input type="checkbox"/>		NAME ON BADGE	
Other identifying information:		APPROXIMATE			
		Age	Height	Weight	Hair Color

### SUMMARY OF PURCHASE

**NOTE: PLACE ONE ITEM ON EACH LINE**

QUANTITY & SIZE	BRAND NAME	ITEM	PRICES		ELIGIBLE	INELIGIBLE
			SHELF	REGISTER		
<b>WIC Check TOTAL</b>			\$_____	\$_____		

**NOTE: PLACE ONE ITEM ON EACH LINE**

<b>CVB TOTAL</b>			\$_____	\$_____		

<p style="text-align: center;"><b>Certification:</b></p> <p>This declaration consists of three 3 pages. I have signed or initialed each page. The facts stated herein are true to my knowledge. If I am called to testify as a witness in any proceeding, I am competent to testify</p>	<p style="text-align: center;"><b>Demographics of Buy</b></p> <p>Date _____</p> <p>Time ____ a.m. ____ p.m.</p> <p>Place _____</p> <p>Investigator's printed name _____</p>
---	---

to the matters stated herein. I declare under penalty  
of perjury the foregoing is true and correct.

Investigator's Signature



# ARKANSAS WIC PROGRAM

5800 W. 10th Street, Suite 810, Little Rock, Arkansas 72203- 1437

## DONATED ITEMS RECEIVED BY

ORGANIZATION \_\_\_\_\_ DATE \_\_\_\_\_

ADDRESS \_\_\_\_\_ TELEPHONE \_\_\_\_\_

RECEIVED BY (NAME AND TITLE) \_\_\_\_\_

VENDOR \_\_\_\_\_ WIC CHECK \_\_\_\_\_ CVB \_\_\_\_\_

INVESTIGATOR'S SIGNATURE \_\_\_\_\_

QUANTITY	BRAND NAME	ITEM	RECEIVED BY

## Destroyed Items

QUANTITY	BRAND NAME	ITEM	DESTROYED/RETAINED BY CIRCLE ONE

## **APPENDIX H: INVENTORY AUDIT PROCEDURES**

1. Per the parameters outlines in Section IV of this document, the state may conduct an inventory audit(s) of any authorized vendor. The audit shall include at a minimum:
  - a. A review of all invoices and cash register receipts of at least one WIC approved item for a defined period of time (one month or more). Original or photocopies of original receipts may be submitted by the vendor. Any altered or illegible receipts will not be accepted for the review.
  - b. An initial and secondary on-site visit of two or more ADH WIC Program Staff will be made to conduct an inventory of the vendor's stock of the item(s) to be inventoried. Only stock on the vendor's premises (address of record), whether on the shelf or in excess stock area, will be counted as inventory. Items located off premises will not be counted in the inventory.
  - c. Review of all WIC Checks and CVBs on the premises during the on-site visits. WIC Checks and CVBs not on the premises and not deposited will not be used in the review.
2. Receipts and invoices will be requested in writing and reviewed prior to the on-site visit(s).
3. On-site visits will be unannounced. Vendors may be presented with a written request for additional information or documentation during or after the on-site visit.
4. Redemption data will be retrieved from the MIS and banking contractor'
5. To the extent possible, the MIS inventory audit function will be used to record and analyze information collect during the inventory audit.





# Arkansas WIC Program Cashier and Bookkeeper Guide to Successful WIC Transactions



## Cashier and Bookkeeper Guide to Successful WIC Transactions

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## Cashier and Bookkeeper Guide to Successful WIC Transactions

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Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339; or (800) 845-6136 (Spanish).

For any other information dealing with Supplemental Nutrition Assistance Program (SNAP) issues, persons should either contact the USDA SNAP Hotline Number at (800) 221-5689, which is also in Spanish or call the [State Information/Hotline Numbers](#) (click the link for a listing of hotline numbers by State); found online at [http://www.fns.usda.gov/snap/contact\\_info/hotlines.htm](http://www.fns.usda.gov/snap/contact_info/hotlines.htm).

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## **Introduction**

### WHAT IS WIC?

The United States Department of Agriculture (USDA) Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides supplemental food, nutrition education, breastfeeding support, outreach information, and referrals, serving pregnant, breastfeeding and postpartum women as well as infants and children up to age five who are found to be at nutritional risk and are income and residency eligible.

### HOW DOES WIC WORK IN ARKANSAS?

The Arkansas Department of Health (ADH) administers the WIC Program in Arkansas. Individuals may apply for certification in the WIC program by contacting any Local Health Unit or WIC Clinic. If certified as income and residency eligible and at nutritional risk, the WIC participant will receive appropriate nutrition education, including breastfeeding support, education for pregnant and postpartum women, as well as WIC Checks and Cash Value Benefits for supplemental foods. In 2015, the WIC Program will be piloting a new Electronic Benefits Transfer (EBT) card.

### HOW DO RETAIL FOOD STORES FIT INTO THE PICTURE?

The Arkansas WIC Program authorizes eligible retail stores to accept WIC Checks and Cash Value Benefits (and in the near future, EBT – eWIC cards) for the purchase of the prescribed supplemental foods for WIC participants. Retail stores (vendors) and ALL of their employees play a key role in assisting WIC participants to access the nutritious food they need. Employees also play a key role in ensuring that the regulatory and financial interests of the store and the WIC Program are protected.

Retail stores seeking to become authorized vendors for the Arkansas WIC Program must complete an application, meet selection criteria, provide price information and pass an on-site store visit. Authorized vendors sign and must abide by a written Vendor Participation Agreement that outlines all of the conditions and requirements for vendor participation in the Arkansas WIC Program.



## **WIC Vocabulary**

**WIC Checks** – are issued to WIC participants through the Local Health Unit of the Arkansas Department of Health. WIC Checks are printed on pink and blue variegated check stock with an overlay in black ink with the program logo and ARKANSAS WIC PROGRAM pre-printed at the top. Each check specifies the food items and quantities that are to be purchased for a specific participant during a specific period of time.

**Cash Value Benefit (CVB)** – are issued to WIC participants through the Local Health Unit of the Arkansas Department of Health. CVBs are printed on pink and blue variegated check stock with an overlay in black ink with the program logo and ARKANSAS WIC PROGRAM pre-printed at the top. Each CVB specifies that it is for the purchase of fresh or frozen fruits and vegetables only. CVBs have a cash value of 4, 8, 10, or 15 dollars. The cash value is printed in the quantity column on the left side of the CVB.

**eWIC** – In 2015, the Arkansas WIC program will introduce the new eWIC system. WIC participants will receive their food benefits loaded on a card similar to a credit card. The card has an electronic chip that stores the food benefits information and will require that the WIC participant enter a PIN to start/accept the transaction. Vendors' cash register systems will be programmed and certified to accept the cards and process the WIC purchases electronically.

**WIC Identification (ID) Folder** – is pre-printed with the program logo and is a multi-fold yellow folder. The folder contains all of the names of the WIC eligible participants in a single household. This may be one participant or several participants. The folder also lists the names and signatures of all individuals who are authorized to use WIC Checks or CVBs for purchase of WIC food items for the participants whose names are listed in the folder. For WIC Program use, the folder has a Household ID number. This number may not match the individual participant's WIC ID number that is printed on the WIC Check or CVB. DO NOT use the Household ID number on the folder to determine proof of identification.

**WIC Food Package** – is a standard group of supplemental food items prescribed by the WIC Program to meet the specific nutritional needs of a WIC participant on a monthly basis. Currently there are seven different food package categories prescribed in Arkansas. Some food packages items may be specifically prescribed if the participant has a food allergy or other special medical condition.

**Arkansas WIC Program Approved Food List** – is a list of foods approved for purchase with WIC Checks and CVBs. A copy of the list should be kept at every cashier station. The list is arranged by food type, with specific brands or varieties indicated. Some items are specified as "the least expensive brand available at the time of purchase." The Approved Food List also lists items that are not allowed.

**Food Description** – the prescribed food items will be pre-printed on the WIC Check or CVB. This is the **exact product type and amount** that must be purchased. Substitutions of any kind are not allowed. Partial purchase or purchases in excess of the specified quantity are not allowed. Some items may specify a quantity range such as "Up To" or "Or Less" e.g. "36 oz. or Less of WIC Approved Cereal." CVB's

do not have to be redeemed at the full amount if the participant chooses to purchase less than the face value.

**First Day To Use** – is pre-printed on the front of the WIC Check and CVB. This is the first date that the WIC Check or CVB may be used. Do not redeem WIC Checks or CVBs before this date as they will not be reimbursed by the Arkansas WIC Program.

**Last Day To Use** – is pre-printed on the front of the WIC Check and CVB. This is the last date that the WIC Check or CVB may be used. Do not redeem WIC Checks or CVBs transacted after this date as they will not be reimbursed by the Arkansas WIC Program.

**Amount of Sale** – for the WIC Check, this is the actual price of the WIC food item purchase. For the CVB, this is the actual price of the purchase, up to the maximum value of the CVB. For the CVB, the cashier may have to enter amounts on multiple CVBs, depending on the amount of purchase and number of CVBs (see How to Process a Cash Value Benefit Transaction).

The cashier must write on the WIC Check or CVB, using **black or blue ink**, the exact purchase price in the box labeled “Amount of Sale”. The box is split in two with a vertical line. Please enter the whole dollar amount to the left of the line and the cents amount to the right of the line e.g. for \$56.49

56	49
----	----

**Signature of Participant, Authorized Representative or Proxy** – the WIC participant, authorized representative, or proxy must sign the WIC Check or CVB (on the signature line in the right front, lower corner) **AFTER** the cashier has filled in the amount of sale. The cashier must verify the signature on the WIC Check or CVB with one of the names listed for Authorized Representative or Proxy on the WIC ID Folder. No other form of ID is necessary or may be required by the vendor.

**Authorized WIC Vendor Stamp** – each authorized store is issued a 4-digit self-inking vendor stamp. The vendor stamp **must** clearly appear on the front right-hand side of the check just above the pre-printed words “Authorized WIC Vendor Stamp.”

**Vendor** – a store authorized by the Arkansas WIC Program to provide WIC foods to WIC program participants. Each store must have a single, fixed location.


**Not to Exceed (NTE) Amount** - is the highest reimbursement price for regular vendors for a WIC Check for a specific food package. A NTE is calculated for each WIC Check for each vendor peer group and sent with a daily WIC Check issuance file to the Arkansas WIC Program contract bank.

**Maximum Allowable Reimbursement (MAR)** – is equal to the Not-to-Exceed (NTE) amount for the respective regular vendor’s peer group by type of WIC Check.

**Automated Clearing House (ACH)** – is an electronic payment mechanism used by the Arkansas WIC Program’s contract bank to accumulate and credit vendors’ bank accounts with an appropriate amount up to the Not-to-Exceed amount for WIC Checks and CVBs deposited.

## **WIC Identification (ID) Folder**

**Arkansas WIC Program**



**Participant Identification Folder**

Household ID: \_\_\_\_\_

**The following person(s) is (are) enrolled in the WIC Program:**

1. Name: \_\_\_\_\_ BD: \_\_\_\_\_  
Last, First

2. Name: \_\_\_\_\_ BD: \_\_\_\_\_  
Last, First

3. Name: \_\_\_\_\_ BD: \_\_\_\_\_  
Last, First

4. Name: \_\_\_\_\_ BD: \_\_\_\_\_  
Last, First

5. Name: \_\_\_\_\_ BD: \_\_\_\_\_  
Last, First

**Persons authorized to sign and pick up WIC Checks and CVBs:**

Authorized Representative: \_\_\_\_\_

Signature: \_\_\_\_\_

Proxy: \_\_\_\_\_

Signature: \_\_\_\_\_

Proxy: \_\_\_\_\_

Signature: \_\_\_\_\_

**SAMPLE**

The WIC ID Folder is issued by a Local Health Unit to a participant or multiple participants residing in the same household.

The names of up to ten (10) participants residing in the same household (five (5) on the front cover and five (5) inside) can be listed on the folder. The Household ID# is for WIC internal use only. Do not compare this number to the ID number on the WIC Check or CVB.

**DO NOT** accept a WIC ID Folder that has not been signed by the Authorized Representative (this is either an adult participant or person responsible for an infant or child) prior to the start of any WIC transaction. The Authorized Representative should have signed the folder at the local health unit at the time it was issued.

The Authorized Representative may list up to two proxies who can use WIC Checks or CVBs on behalf of the participant(s). The proxy's name and signature **MUST** be on the folder prior to the start of any WIC transaction.

The WIC ID Folder must be presented to the cashier at the beginning of **every** WIC transaction. Compare the signature/name on the folder with the signature/name written on the signature line on the WIC Check or CVB at the end of the transaction after the amount of sale has been entered on the WIC Check/CVB.

## Processing WIC Transactions

### HOW DO I PROCESS A WIC CHECK TRANSACTION?

1. The WIC Authorized Representative (AR) or Proxy will inform the cashier that she/he wishes to make a purchase using a WIC Check(s).
2. Ask for the WIC ID Folder and WIC Check(s) that will be used for this purchase.
3. Only accept a WIC Check(s) presented within the valid dates printed on the front.
4. Separate the items to be purchased with the WIC Check(s) from any other items the participant may be purchasing.
5. Make sure the types and quantities of foods listed on the WIC Check have been selected by the participant.
6. Total the WIC items and deduct any coupons and/or process loyalty card discounts.
7. Enter the amount of sale for the WIC items using **blue or black ink** in the Amount of Sale box on the WIC Check.
8. Ask the AR or Proxy to sign the WIC Check on the signature line on the front of the check in the lower right-hand corner.
9. Verify the signature on the check with one of the name(s) listed for AR or Proxy on the WIC ID Folder.

WIC ID NUMBER		NAME OF PARTICIPANT		FIRST DAY TO USE	LAST DAY TO USE	AMOUNT OF SALE
00670118		Roxie Brown		6/12/2012	7/11/2012	10968322
QTY	DESCRIPTION					
1	GALLON(S) 2%, 1% OR FAT-FREE MILK					
1	QUART(S) 2%, 1% OR FAT FREE MILK					
1	UNIT= (4 CANS 14-16 OZ BEAN/PEA) OR (1-LB BAG DRY BEAN/PEA)					
1	64 OUNCE CONTAINER(S) JUICE					
2	16OZ WHOLE GRAIN BREAD/OATMEAL/TORTILLAS OR 14-16 BROWN RICE					
XXX END OF ORDER XXX						
VENDOR MUST DEPOSIT WITHIN 60 DAYS FROM FIRST DAY TO USE DATE						
<div style="border: 1px solid black; padding: 5px; display: inline-block;">SAMPLE</div>						
AUTHORIZED WIC VENDOR STAMP Signature of Participant or Authorized Representative						
10968322 09191248 804025						

#### Remember:

- Each WIC Check must be entered as a separate transaction.
- The WIC AR or Proxy must purchase all of the items listed on the WIC Check. No substitutions. No rain checks or due bills.
- The WIC Check is valid only if the WIC participant, AR, or proxy signs on the signature line on the front of the check in the lower right-hand corner at the time of purchase. **Vendors may not obtain the signature at a later date.**
- Do not accept a WIC Check that has been altered using correction fluid, written over, signed in advance of the purchase or copied.

## HOW DO I PROCESS A CASH VALUE BENEFIT (CVB) TRANSACTION?

1. The WIC Authorized Representative (AR) or Proxy will inform the cashier that she/he wishes to make a purchase using a Cash Value Benefit (CVB).
2. Ask for the WIC ID Folder and CVB(s) that will be used for this purchase.
3. Only accept CVBs presented within the valid dates printed on the CVBs.
4. Separate CVB items (fresh or frozen fruits and vegetables) from any other food items she/he may be purchasing. **NOTE:** Unlike WIC Checks, CVBs from a single household may be combined in a single transaction.
5. Make sure the types of fresh or frozen fruits and vegetables as allowed on the Approved Food List have been selected by the participant.
6. Total the CVB items and deduct any coupons and/or process loyalty card discounts.
7.
  - a. If the amount of purchase is **less than or equal to** the dollar value of the CVB(s), enter that amount in the "Amount of Sale" box. No change is given.
  - b. If the amount of the purchase **exceeds** the face value of the CVBs presented, inform the AR/Proxy of the excess (including tax on the excess amount) and ask if he/she would like to pay the excess and with which type of tender. The AR/Proxy must also be given the opportunity to decrease the number of items purchased if she/he does not wish to pay the excess amount.
  - c. If the AR/Proxy agrees to pay the excess (including tax on the excess amount unless participant is paying with SNAP EBT), complete the transaction by entering in the full face value of the CVB(s) in **blue or black ink** and accept the tender from the AR/Proxy. **Note:** For CVB transactions where the AR/Proxy pays the excess, you may give a receipt.
8. Ask the AR or Proxy to sign the CVB on the signature line on the front of the check in the lower right-hand corner.
9. Verify the signature on the check with one of the name(s) listed for AR or Proxy on the WIC ID Folder.

**ARKANSAS WIC PROGRAM**

5800 W 10th Suite 810 Little Rock, AR 72204

Act# 804025

FSMC St. Louis Park, MN 55426

75-1248 919

10968323

WIC ID NUMBER 00670118

NAME OF PARTICIPANT Roxie Brown

FIRST DAY TO USE 6/12/2012

LAST DAY TO USE 7/11/2012

AMOUNT OF SALE

QTY DESCRIPTION

\$6.00 FOR FRESH/FROZEN FRUITS OR VEGETABLES

XXX END OF ORDER XXX

**SAMPLE**

PAYMENT WILL BE DENIED WITHOUT

AUTHORIZED WIC VENDOR STAMP

VENDOR MUST DEPOSIT WITHIN 60 DAYS FROM FIRST DAY TO USE DATE

Signature of Participant or Authorized Representative

10968323 09191248 804025

### Remember:

- Cash Value Benefits (CVBs) are to be used for the purchase of fresh or frozen vegetables and fruits only. See the AR Approved Food List for all items that are not allowed such as white potatoes, nuts, and party trays.
- CVBs have a cash value, but you may **not** give change back to the AR/Proxy if the purchase is less than the face value.

**Points to Remember about the Cash Value Benefit (CVB):**

CVB transactions are different from traditional WIC Check transactions:

- CVBs from a single household may be combined in one transaction
- ARs/Proxies may purchase items whose total dollar value is less than the face value of the CVB(s)
- ARs/Proxies may purchase items whose total dollar value exceeds the face value of the CVB(s), but the participant must pay any dollar amount over the face value including tax on that amount, if applicable
- ARs/Proxies may pay the excess amount with any type of tender that the vendor accepts for regular food purchases – cash, check, debit card, credit card, or SNAP EBT
- Vendors may not charge tax on the amount of the transaction that is covered by the face value of the CVB(s)

**Examples of Possible CVB Transactions:**

1. Ms. Harris purchases a variety of fruits and vegetables. The purchase amount is \$7.83. She presents a CVB for \$10.00. The cashier completes the sale, writes “\$7.83” in the Amount of Sale box, has Ms. Harris sign the CVB, checks the signature with the WIC ID Folder, and returns the folder. No change or receipt is given.
2. Mr. Copeland purchases items for his two children who each have a CVB with the face value of \$8.00 (total available for purchase is \$16.00). The purchase amount is \$15.54. The cashier completes the sale, writes “\$8.00” on the first CVB and “\$7.54” on the second CVB in the Amount of Sale box has Mr. Copeland sign the CVBs, checks the signatures with the WIC ID Folder, and returns the folder. No change or receipt is given.
3. Mrs. Russell’s fruit and vegetable purchase amount is \$11.37 (without the tax added). She presents a CVB for \$10.00. The cashier informs her that the transaction exceeds the value of the CVB and asks if she would like to reduce the amount of her purchase or pay the excess dollar value. If she chooses to reduce to or below the CVB face value, follow the procedures in Example 1. If she chooses to pay the excess, the cashier asks what type of tender and informs Mrs. Russell what the amount of the excess will be, including the tax on that amount (unless she is paying with SNAP EBT which is not taxable). The cashier completes the transaction by writing “\$10.00” on the CVB in the Amount of Sale box, has Mrs. Russell sign the CVB, checks the signature with the WIC ID Folder, and returns the folder, and lastly accepts the tender for the excess amount. The cashier may give her a receipt for the transaction.
4. Miss Grey is purchasing \$23 in produce. This amount is more fruits and vegetables than can be covered by her three CVBs that have face values of \$4.00, \$8.00, and \$10.00. Follow the same procedures as in Example 3 to reduce the value or pay the excess. If she chooses to pay the excess, write in the full value of each CVB, for example “\$4.00”, “\$8.00” and “\$10.00” in the Amount of Sale box. Miss Grey must sign all three CVBs.

## **Best Practices for Cashiers**

- Treat WIC participants, authorized representatives and/or proxy for WIC participants with the same courtesies as you would treat other customers.
- Establish a routine for WIC transactions. Do it the same way every time.
  - Ask the AR/Proxy for the WIC ID Folder and WIC Check or CVB.
  - Verify that the WIC Check or CVB presented is within the valid dates for use.
  - Look at the items to be purchased and compare them to the items listed on the WIC Check or CVB.
  - Enter the Amount of Sale in the box on the front of the WIC Check or CVB.
  - Ask the AR/Proxy to sign the WIC Check or CVB.
  - Verify the signature with the names written on the front of the WIC ID Folder.
  - Return the WIC ID Folder to the AR/Proxy.
- Make sure you always have a copy of the Arkansas WIC Approved Food List at your register.
- Keep an inexpensive calculator or pencil and pad at your register to assist with calculations for items such as cereal and fish which allow an “up to” amount and for CVB transactions.
- Keep ONLY blue or black ink pens at your register. Checks signed with other colors of ink cannot be deposited and must be sent in to the WIC State Office.
- If a WIC AR/Proxy has selected the wrong food item, politely let them know which item or items qualify, using the Approved Food List as a guide. For items that require the AR/Proxy to purchase the least expensive brand, inform her/him which brand currently is the least expensive. Some ARs/Proxies who are not familiar with your store may need someone to help them locate the item. Never announce publicly that this is a WIC transaction as customers must be treated with confidentiality and courtesy.
- Refuse any attempt by a WIC AR/Proxy to use a WIC Check or CVB to receive cash, non-food items, cigarettes, or alcoholic beverages. Entering into such a transaction is against federal WIC Program regulations and can have very serious consequences for both the participant and the vendor. Immediately report to your supervisor any attempts by WIC participants to make these types of purchase.
- Don't accept WIC Checks or CVBs before the First Day to Use or after the Last Day to Use. Do not accept WIC Checks or CVBs that have been altered by using correction fluid or writing over the preprinted information. Local Health Units are not allowed to make these types of alterations. Report any such abuse to your supervisor. If possible, please note the number of the WIC Check or CVB or the WIC participant's name appearing on the WIC Check or CVB that was altered.

- Check infant formula purchases carefully to make sure the AR/Proxy has selected the correct:
  - Brand name such as Gerber
  - Type – specific product such as Gentle, Soy or Soothe
  - Form – powdered (PWD), concentrate (CONC), ready to feed (RTF)
  - Quantity – the number of cans/cartons/4 pack tetra packs to be purchased is listed in the Quantity (QTY) column on the WIC Check

Some types of formula have very similar labeling. Depending on the needs of the WIC participant, formula may be authorized in powdered, concentrate, or ready to feed (RTF) form. This will be specified on the WIC Check along with the brand name and the type of formula. DO NOT allow the purchase of any formula other than what is **exactly** specified on the WIC Check, even if the types of formula seem to be similar, there is similar packaging or the AR/Proxy brings a different kind to the lane. Low-iron formula is not allowed on the Arkansas WIC Program. Be sure to scan **EACH** can of formula separately.

- Expect to be respected – immediately report to your supervisor any verbal or physical abuse by anyone who is making a WIC purchase. If possible, try to determine the name of the participant or number on the check the AR/Proxy is attempting to use for the purchase.
- Keep on top of what's up with WIC – routinely ask your supervisor if there have been updates to the WIC program, especially the Approved Food List. Program changes are sent to each store in the form of "WIC Flash" memos and e-mails.



## Information for Bookkeepers

The vendor's bookkeepers/cash office staff plays an important role in successfully completing a WIC transaction. Here are the procedures for processing WIC Checks and CVBs once they leave the register.

1. Review WIC Checks and CVBs for completeness. The cashier should have entered the "Amount of Sale" and the AR/Proxy should have signed in **blue or black ink** on the signature line on the front for the check in the lower right hand corner - "Signature of Participant or Authorized Representative." If the participant signs the check on the back **AND** the front, the check is still valid. If the signature is only on the back of the check, it must be sent to the WIC State Office for processing. **Checks without a signature will not be paid by the Arkansas WIC Program.**

**Amount of Sale**      **Vendor Stamp**

WIC ID NUMBER		NAME OF PARTICIPANT		FIRST DAY TO USE	LAST DAY TO USE	AMOUNT OF SALE
00670118		Roxie Brown		6/12/2012	7/11/2012	10968322

QTY	DESCRIPTION
1	GALLON(S) 2%, 1% OR FAT-FREE MILK
1	QUART(S) 2%, 1% OR FAT FREE MILK
1	UNIT=(4 CANS 14-16 OZ BEAN/PEA) OR (1-LB BAG DRY BEAN/PEA)
1	64 OUNCE CONTAINER(S) JUICE
2	16OZ WHOLE GRAIN BREAD/OATMEAL/TORTILLAS OR 14-16 BROWN RICE
XXX END OF ORDER XXX	

PAYMENT WILL BE DENIED WITHOUT

AUTHORIZED WIC VENDOR STAMP

**SAMPLE**

VENDOR MUST DEPOSIT WITHIN 60 DAYS FROM FIRST DAY TO USE DATE

Signature of Participant or Authorized Representative

**MICR Line**      **Signature Block**

2. The Amount of Sale may be corrected only **ONCE** by making a line through the incorrect price and clearly printing the correct price just below the pre-printed words "Payment will be denied without" on the right-hand side. The WIC Check or CVB can then be deposited in your bank. Checks or CVBs with more than one correction will not be processed by the WIC Program's bank. Checks or CVBs with more than one correction may be sent in to the WIC State Office for review. Please provide any supporting documentation you may have to assist with the review.
3. If the cashier has incorrectly entered an amount that is greater than the face value of the CVB, the cashier or cash office may correct the Amount of Sale once before depositing. The Amount of Purchase entered should not be greater than the face value. For example, for a \$8 CVB, if the cashier enters the full purchase price of \$8.39, draw a line through the \$8.39 and enter \$8.00 just below the pre-printed words "Payment will be denied without". **DO NOT** deposit CVBs with a purchase price entered that is greater than the face value. The CVB will be rejected by the WIC Program bank and paid as an ACH, thus delaying the payment to the vendor. If the Amount of Sale is less than the face value, the actual amount of sale must be entered.

4. CLEARLY stamp each WIC Check and CVB with the self-inking vendor stamp in the block provided on the right-hand side on the front of the WIC Check or CVB before depositing at your bank. WIC Checks or CVBs with the vendor stamp upside down or stamped outside the block on the right-hand side of the check will not be accepted by the WIC Program's bank. Checks incorrectly stamped may be sent in to the WIC State Office for review. **The number one reason WIC Checks are returned by the WIC Program's bank is "Missing Vendor Stamp."**
5. If the MICR Line is not printed clearly on the check stock, do not deposit. Send the check to the WIC Program State Office for review.
6. Deposit WIC Checks and CVBs promptly. All WIC Checks and CVBs, either deposited **or** redeposited, must clear the WIC Program's bank within **60 days of the "First Day to Use" date** regardless of the transaction date. Checks/CVBs received by the WIC Program bank after the 60 day period will not be paid.
7. Rejected Checks and CVBs – following are the procedures to follow if you receive WIC Checks or CVBs back from your bank:

**A. WIC Checks and CVBs rejected for the following reasons CAN BE CORRECTED AND REDEPOSITED by the Vendor:**

- a. Missing Vendor Number – vendor stamps the check(s) with the official stamp provided by the Arkansas WIC Program and redeposit.
- b. Unreadable Vendor Number – vendor clarifies by re-stamping or writing in ink the vendor number next to the original stamp and redeposit. Be sure the 4-digit vendor number is right side up and legible.

**B. Returned Over the Max – ACH Applied - DO NOT REDEPOSIT:**

- a. The WIC Program's bank will reject any WIC Check for a purchase amount above 112% of the peer group average, which is the Not to Exceed (NTE) amount or a CVB submitted for over the face value.
- b. The rejected WIC Checks and CVBs will be stamped "Returned Over the Max – ACH Applied" and returned to the vendor's bank.
- c. The vendor does **not** need to resubmit the WIC Check or CVB stamped "Returned Over the Max – ACH Applied". At the end of the week, the vendor's bank account will be credited up to the amount of the NTE for these WIC Checks and CVB.
- d. This applies to all vendors.

**C. WIC Checks or CVBs rejected for the following reasons, WILL NOT BE PAID:**

- a. Unauthorized vendor number
  - b. Altered (including use of correction fluid and writing over pre-printed information)
  - c. Purchase date prior to "First Day to Use" printed on check
  - d. Purchase date after "Last Day to Use" printed on check
  - e. Stale - deposited or redeposited more than 60 days after the "First Day to Use"
  - f. Second presentment
  - g. Redeemed prior to vendor authorization
  - h. Missing signature or signature not on the signature line on the front of the check in the lower right-hand corner.
8. Vendors are no longer required to retain cash register receipts, but may do so if they wish. Cash register receipts may only be given to ARs/Proxies for **CVB transactions** for which they pay an excess amount.
9. If you believe that a check has been rejected in error, please contact the WIC Program office promptly by phone, e-mail or mail. Requests for review and adjustments must be made no later than 60 days after the "First Day to Use."
10. Checks with the following problems may be sent to the WIC State Office for review and possible payment: damaged checks, improperly corrected Amount of Sale, cash register endorsement problems (including endorsements on the wrong WIC check), signed with ink other than blue or black, and signature only on back of check.

QUICK CHECK and CVB REFERENCE FOR BOOKKEEPERS			
REJECTED REASON	HOW TO CORRECT THE PROBLEM	WHERE TO SUBMIT CHECKS	
No Vendor Stamp Illegible Vendor Stamp	Stamp (re-stamp) the WIC Check or CVB with the WIC vendor Stamp	→	Redeposit the WIC Check or CVB into the bank.
Encoding Error	Vendor requests their bank to correct the deposit amount (must be same as Amount of Sale) and redeposit.		
Refer to Maker	The WIC Program will reimburse the vendor for the items listed using the most recent pricing information or face value.	→	Send WIC Check or CVB to the Arkansas WIC Program for reimbursement.
Excessive Dollar Amounts; NTE/MAR Applied	The bank has reduced the payment amount on the WIC Check or CVB to an appropriate amount for the items listed.	→	The WIC Check or CVB will be paid at the MAR and should not be re-deposited.
Counterfeit/Invalid Vendor Stamp	If a WIC Check or CVB is rejected for either of these reasons, please contact the Arkansas WIC Program vendor staff for assistance.	→	The WIC Program will not reimburse WIC Checks or CVBs that are rejected for these reasons.
No Signature	The WIC Check or CVB must be signed at the store after the actual purchase price has been entered. Vendor may not ask AR/Proxy to come back to sign at a later time.		
Altered Signature	WIC Checks or CVBs should not be accepted if the signature has been altered.		
Future Dated	WIC Checks or CVBs should not be accepted before the "First Day to Use" date.		
Expired	WIC Checks or CVBs should not be accepted after the "Last Day to Use" date and must be deposited within 60 days from the "First Day to Use" date.		
Altered Dated	WIC Checks or CVBs should not be accepted if the "First Day to Use" or "Last Day to Use" date has been altered.		

## **Shelf Price Surveys - Determining Peer Group Average Prices**

The WIC Program is required to periodically collect shelf prices for all authorized vendors. This information is used to ensure regional competitive pricing for WIC approved items sold by WIC vendors. A different average price list is prepared for each of the fifteen (15) vendor peer groups in the state. Peer groups are based on location in the state, size of the store and type of store. Each authorized WIC vendor is assigned to a peer group.

Peer group average prices are used to calculate the competitive prices vendors must maintain to meet vendor selection criteria as well as the maximum amount the WIC program will pay for each food item when there are occasional spikes in prices. More information about peer group average prices, competitive price levels and maximum prices is provide in the *Arkansas WIC Program Vendor Participation Agreement and Handbook*.

At the time of the shelf price survey, vendors are asked to provide shelf prices for the **most expensive WIC approved brand that the store carries** in each food category on the survey. It is extremely important that the price given is for the **most expensive**. The items listed by the vendor on the survey may not be the same brands most commonly sold to WIC customers, especially in categories such as milk or juice that require vendors to sell the least expensive brand available at the time of purchase. Providing the highest priced items on the survey ensures that the calculated average price allows vendors room to sell a more expensive brand if necessary (i.e. if the store is temporarily out of the brand that is most often the least expensive).

Shelf price surveys are collected at least three times each year. If there are significant price increases on certain categories of food items such as milk or formula, spot surveys may be conducted. If your store is experiencing significant price hikes on WIC approved foods, please contact the WIC state office with information on the product name, size container, new price and date that the increase is expected.

### **Tips for Completing a Shelf Price Survey**

- Read the instructions first. This will help avoid errors that will delay acceptance of the price survey. It is extremely important that the survey is completed accurately and that all requested information is provided.
- Make sure that any identifying information such as vendor number and peer group is provided. Each store is identified by a unique vendor number. It is the number on the stamp(s) issued to each store.
- Read through the survey to identify the food items. Make sure the Authorized Food List is used to complete the survey. Prices for unauthorized foods cannot be used.

- Some food items are available in a variety of sizes. If the size is not already specified on the survey, make sure this column is completed. This is used to calculate a price per ounce for some food categories.
- Complete **ALL** blank columns on the survey. Missing information delays acceptance of the survey.
- Check the survey before it is submitted for completeness and accuracy.
- Submit the survey **in the requested format** by the deadline given by the WIC state office. Late surveys delay preparation of the peer group average price list. A delay in the release of an updated peer group average price list can result in WIC Checks being rejected because they are over the maximum amount the WIC Program will pay.

## **Frequently Asked Questions**

***May I ask the person presenting the WIC Check/CVB and WIC ID Folder for a photo ID?*** No. The only identification allowed is the WIC ID Folder. At least one of the signatures on the WIC Check or CVB must match one of the names listed for Authorized Representative or Proxy on the WIC ID Folder. Do not accept WIC Checks or CVBs that have been signed before the amount of sale has been entered.

***If I know the person, can I go ahead and process the WIC transaction if they have forgotten to bring their WIC ID Folder with them?*** No. You must compare the signature on the WIC ID folder with the signature on the check/CVB every time.

***What do I do if I enter the wrong amount of sale?*** Each store will have its own policy on who can correct the number written in the “Amount of Sale” box. See bookkeepers’ section of this guide for specific instructions on correcting the amount of sale.

***Does a participant have to buy everything that is printed on a WIC Check/CVB?*** Yes, on WIC Checks. ARs/Proxies are required to purchase every food item listed on the WIC Check and the quantity listed. If the AR/Proxy indicates that she/he does not want everything listed on the check, please refer them to their Local Health Unit or WIC Clinic. If the store does not have one of the items on the check available, the transaction cannot be completed. However, on a CVB for fresh/frozen fruits and vegetables, the AR/Proxy may choose to purchase less than, equal to, or greater than the face value printed on the CVB.

***Why does a participant have more than one check for the same dates e.g. three checks all with a First Day to Use date of 11/1/2014?*** To give participants more flexibility in when they make their food purchases, the month’s allocation may be split in two or more checks. Also, WIC Checks for the purchase of formula are always printed on a separate check from other food items the participant may be receiving.

***Can a participant use more than one WIC Check/CVB at the same time?*** Yes, but each WIC Check must be handled as a separate transaction. CVBs for the same household may be combined on the same transaction to maximize the benefits used.

***If I recognize the child’s name on the top of a WIC Check and I know the person who signed the check is not the parent or guardian, should I be concerned?*** No. Not as long as the signature on the check matches one of the names on the WIC ID Folder.

***Can a participant purchase other items at the same time as they are purchasing their WIC food items?*** Yes, but the WIC food package items must be treated as a completely separate transaction.

***What do I do if a participant tries to buy an unauthorized food?*** Do not allow unauthorized foods to be purchased with WIC Checks. Point out to the AR/Proxy the allowed foods listed on their check and/or the WIC Approved Food List. If you are still unsure if the WIC Program allows the food item, call the supervisor or store manager for assistance.

***What happens if a food item does not scan as WIC approved in the cash register system?*** ARs/Proxies MUST be allowed to purchase food as authorized under the conditions stated in the Approved Food List and printed on the checks presented. The vendor cannot disallow a food item or require the AR/Proxy to select another item because it does not scan as WIC approved. Vendors should notify their corporate offices concerning any possible discrepancies between WIC flagged items and the Approved Food List.

***Do I have to accept a WIC Check if it is damaged?*** If the check is damaged but all of the printing on the check, including the information entered at the time of purchase is legible, the vendor is allowed to decide whether or not to accept the check. Please send any damaged checks that you have accepted for payment to the WIC State Office for approval.

***If I have any questions about WIC policies or procedures, what should I do?*** First, call the supervisor or store manager for assistance. Arkansas WIC Program staff, at regional and state levels, is also available to answer your questions. See *Annex C* for a list of current WIC staff and their contact information.



## Infant Foods



### Infant Fruits and Vegetables

1. Participants may purchase only the brand names and varieties listed in the Approved Food List.
2. Containers must be 4 oz glass jars.
3. **Not allowed:** Multi-paks.

### Infant Meats

1. Participants may purchase only the brand names and varieties listed in the Approved Food List.
2. Containers must be 2.5 oz glass jars.
3. **Not allowed:** Multi-paks.

### Infant Cereal

1. Participants may purchase only the brand names and varieties listed in the Approved Food List.
2. Containers must be 8 oz box.
3. **Not allowed:** Cereal with fruit or fruit flakes, high protein, mixed or individual servings.

### Formula

1. Only brand, variety, and type listed on WIC Check. Carefully check variety as many labels are similar. Check will specify type: powdered, concentrate or ready to use (RTU).
2. No substitutions of any kind, even if it is for another WIC approved formula.
3. **Not allowed:** Low iron formula or any brand or type not listed on the WIC Check. No exchanges. Participants must contact the local health clinic if they wish to change or exchange formulas.

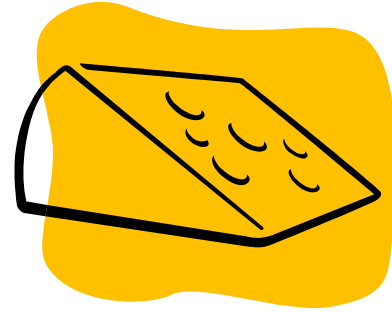
## Milk and Soy-Based Beverages



1. The specific variety(ies) (reduced fat, fat free, skim, 1%, 2%, whole) and size(s) (gallon, half-gallon, quart) authorized for the participant are printed on the WIC Check. Starting October 1, 2014, the standard issuance for children 1 to 2 years old is whole milk; for children 2 and older and women, the standard issuance is 1% or skim milk. No substitutions allowed.
2. The participant is required to purchase the least expensive brand at the time of purchase in one of the specified varieties and sizes on the WIC Check. For example, if "Brand A" is usually the least expensive 1% milk, but is not currently available, the participant may purchase the higher priced "Brand B" 1%. The participant does not have to choose another variety such as skim milk just because it is less expensive than "Brand B" 1%. Which ever brand is chosen, the variety must be one that is indicated on the WIC Check.
3. The quantity of gallons, half-gallons, and quarts will be indicated on separate lines on the WIC Check in the quantity column.
4. For quarts ONLY – if the store does not stock quarts in a variety of milk that is printed on the check and the participant wishes to purchase, the store may substitute two (2) pints for each quart (must be one of the varieties printed on the check). For example, if the WIC Check indicates one (1) quart of "1% or skim", the participant may NOT get two (2) pints of whole milk, but they could get two (2) pints of 1% or skim milk.
5. The participant does not have to purchase the same brand for gallons, half-gallons, and quarts. It must be the least expensive in that variety and size of container available at time of purchase. For example, the participant may purchase two (2) "Brand A" gallons of skim milk (least expensive skim gallon) and one (1) "Brand C" half-gallon of 1% (least expensive 1% half-gallon) and one (1) "Brand B" quart of 1% (least expensive 1% quart).
6. Two half-gallons may NOT be substituted for a gallon.
7. Non-fat Dry Milk – Only a 25.6 oz package of non-fat dry milk is allowed for purchase. The number of packages to be issued will be listed in the Quantity column (QTY) on the WIC Check.

8. Evaporated Milk – The number of cans of evaporated or skim evaporated milk will be indicated on the WIC Check. **Not allowed:** Filled milk.
9. Soy-based Beverages - participants may purchase only the brands and varieties indicated on the WIC Check. Quantity is listed in units – 1 unit = 1 half gallon OR 2 quarts
10. **Not allowed:** “Deluxe”, “Plus”, organic, flavored, sweetened-condensed, non-dairy, goat’s milk, Copy Cow, or Vitamite.

## Cheese



1. Cheese must be 100% cheese in one of the following five varieties: American, Cheddar, Colby, Colby-Jack or mozzarella.
2. Cheese must be the least expensive brand available at the time of purchase within the variety selected by the participant.
3. 14-16 oz pre-packaged cheese only.
4. Participants may select either regular **or** low-fat cheese. "Low-fat" is not printed on the WIC Check.
5. Packages of individually wrapped slices are allowed **if** they are the least expensive package of 100% cheese in the variety selected.
6. Cheese from the store's deli is no longer allowed. Cheese must be pre-packaged by the manufacturer.
7. **Not allowed:** Cheese foods, cheese products, whips or spreads, shredded, grated, cubed, crumbled, blended, smoked, imported or deli sliced.

# Grains



## Whole Grains

1. Whole grains - products such as whole grain breads, brown rice, whole grain tortillas, oatmeal and whole wheat pasta. The approved cereals also now include a larger percentage that qualifies as whole grain.
2. On WIC Checks, the whole grain products are listed on the same line separated by the word “or” – Whole grain: bread, tortillas, oatmeal, brown rice, or whole wheat pasta.
3. Each single product is a unit. Participants may choose which product(s) they wish to purchase from the whole grains category. For example, if one (1) unit is indicated in the quantity, they may choose:
  - 1 16 oz loaf of whole grain bread OR
  - 1 16 oz package of whole grain tortillas OR
  - 1 16 oz round box/bag of oatmeal OR
  - 1 14-16 oz box of brown rice
  - 1 14-16 oz package of whole wheat pasta (spaghetti or macaroni – any shape)

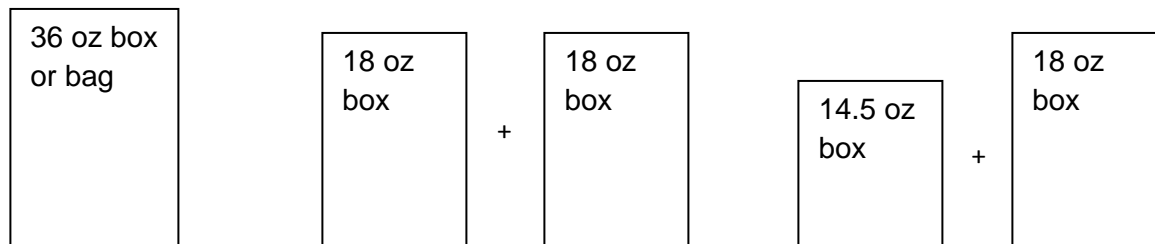
If two (2) units are indicated, they may choose **any combination**, such as two (2) 14-16 oz boxes of brown rice **or** one (1) 16 oz package of tortillas **AND** one (1) 16 oz loaf of bread.

4. Whole Grain Bread – 16 oz loaf of brands listed on Approved Food List.
5. Whole Grain Tortillas – 16 oz package of brands listed on Approved Food List.
6. Whole Grain Oatmeal – 16 oz package of oatmeal brands **listed in the whole grain section** of the Approved Food List. Other brands of oatmeal are listed in the cereal section, but they **do not** qualify as a product in the whole grain category.
7. Brown Rice – 14-16 oz package of any brand of brown rice. Brown rice may be instant, quick, boil-in-bag or regular cooking type.
8. Whole Wheat Pasta – 14-16 oz package any brand of whole wheat pasta (spaghetti or macaroni-any shape)

## Cereal

1. The WIC Check will indicate the maximum number of ounces of cereal that can be purchased. The participant may choose a combination of boxes that **equal to or is less than** the number of ounces indicated on the WIC Check.
2. The standard monthly issuance amount for cereal is thirty-six (36) ounces. However, there may be a smaller number of ounces indicated on a WIC Check that is issued to a participant who is receiving less than a full month of benefits. Cashiers should check the quantity column carefully.
3. Only the brands and varieties of cereal listed on the Approved Food List may be purchased. Participants may choose any combination of size boxes or cereal varieties (cold and hot) as long as they are approved products and do not **exceed** the number of ounces listed in the WIC Check. Here are some examples of possible combinations of different size packages for a WIC Check for 36 oz of cereal:

### Example: 36 ounces maximum



4. Oatmeal: Currently, Quaker Instant Oatmeal is the only approved oatmeal in the **cereal category**. Other brands of oatmeal are listed in the **whole grain category**, but they **do not** qualify as an oatmeal in the cereal category.

## Fruits and Vegetables



### Fresh Fruits and Vegetables

1. Participants may purchase any variety of fresh fruits and vegetables except as noted below. Sweet potatoes, yams, mixed salads, mixed vegetables or mixed fruits are allowed, as are organic varieties.
2. Fruits and vegetables may be in any type container (loose, paper bag, plastic bag, plastic container, Styrofoam tray, etc.) and may be whole or cut/peeled.
3. **Not allowed: White potatoes - any variety.** Nuts, fruit/nut mixtures, fruit baskets, party trays with items other than vegetables or fruit, items from a salad bar, herbs (see Appendix D for details on herbs), spices, mixed salad kits that contain salad dressing, croutons or other non-vegetable ingredients, vegetable or fruit containers containing dip, decorated pumpkins or gourds.

### Frozen Vegetables

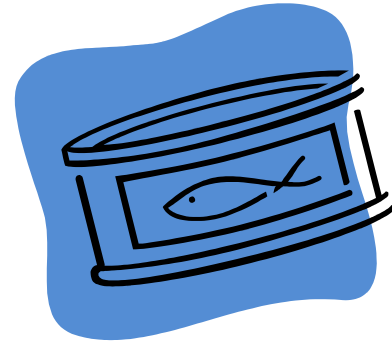
1. Participants may purchase any brand and variety of frozen vegetables, including plain vegetable mixtures without white potatoes. Participants may choose organic varieties if they wish.
2. Any package type (bag or box) in any size is allowed.
3. Frozen vegetables containing salt are allowed as well as salt-free varieties.
4. **Not allowed: White potatoes or potato mixtures,** French fries, tater tots, hash browns, vegetables with sauces, butter, seasonings, flavoring, breading, and vegetables mixed with pasta, rice or any other non-vegetable ingredient.

### Frozen Fruit

1. Participants may purchase any brand and variety of frozen fruit, plain or plain fruit mixtures. Participants may choose organic varieties if they wish.
2. Any package type (bag, box or tub) in any size is allowed.
3. **Not allowed:** Any ingredient other than fruit, including added sugar.

Participants may purchase both fresh and frozen fruits and vegetables with a single CVB.

## Protein



### Eggs

1. Least expensive brand available at time of purchase.
2. One dozen containers only.
3. Large or medium white grade A or AA.
4. **Not allowed:** Eggland's Best, cage free, brown or organic.

### Peanut Butter

1. 16-18 oz jar.
2. Brands: JIF, Peter Pan and store brands only.
3. Variety may be creamy, chunky, crunchy or extra crunchy. Regular, natural and reduced/low-fat varieties are allowed if available in a 16-18 oz jar.
4. **Not allowed:** Varieties labeled with "Plus" - such as "with calcium" or Omega-3, whipped or peanut butter combinations.

### Fish

1. Three types of canned fish are allowed on the Arkansas WIC Program – chunk light tuna in water, pink salmon and sardines (any flavor). Participant may choose any combination of fish types and can sizes not to exceed the number of ounces listed on the WIC Check.
2. Maximum number of **ounces** will be indicated on the WIC Check.
3. Brands: chunk light tuna in water (any brand); pink salmon (any brand); sardines (Beachcliff, Port Clyde, Polar, La Preferida, or Crown Prince only)
4. Cans only. Product may contain bones and skin.
5. **Not allowed:** Tuna – albacore, breast of tuna, tuna spread, flavored tuna including smoked, tuna in oil, or low salt/low fat tuna. Salmon – blueback salmon, red salmon, chum or flavored salmon.



## **Beans/Peas**

Dry **or** canned beans - a participant may purchase **either** one (1) 16 oz package of dried **or** four (4) 14 – 16 oz cans of canned beans/peas.

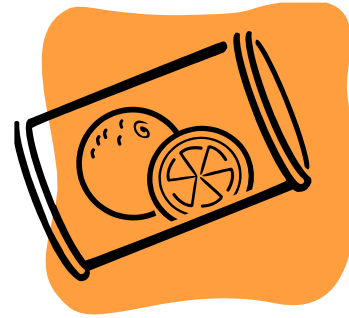
### **Dry Beans/Peas**

1. Any brand, any variety of dried, plain, unseasoned mature beans, peas or lentils in a 16 oz (1 lb) package.
2. **Not allowed:** Mixed beans, soup mixes or flavored.

### **Canned Beans/Peas**

1. Participants must purchase the least expensive brand available at time of purchase **within the chosen variety**. For example, the participant may choose “Brand A” black beans, if those are the least expensive black beans. They do not have to purchase pinto beans because they are cheaper than the black beans.
2. Participants may select any combination of bean and pea varieties to fill their purchase of four (4) cans. For example, two (2) pinto beans, one (1) lima beans and one (1) purple hull peas.
3. Participant **must** choose from the varieties (lima beans, pinto beans, chick peas, etc.) listed on the Approved Food List. Other varieties, even if they are less expensive or have similar contents, are **not allowed**.

# Juice



1. Juice must be 100% pure juice in the specific variety, type and size container authorized for the participant and printed on the WIC Check.
2. Juice must be the least expensive brand available at the time of purchase within the variety, type and container size selected by the participant.
3. For some varieties, participants may purchase only the brands listed on the Approved Food List:

Any Brand

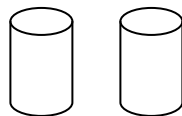
Orange, Grapefruit & Pineapple

Specific Brands

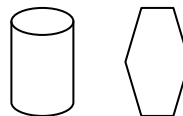
Apple, Tomato, Blended, Vegetable & Grape (purple and white)

4. Participants may purchase a particular type within a variety, such as country style, pulp-free, or low acid. In order to meet the least expensive criteria, the juice selected must only be the least expensive type. For example, the participant must purchase the least expensive frozen pulp-free orange juice, not the least expensive frozen orange juice.
5. Some participants are issued WIC Checks that allow them to choose to purchase frozen concentrate or 46-48 oz single strength cans or bottles. The participant can “mix and match” container types. If the WIC Check indicates two (2) units of juice, the participant may purchase **any** combination of container types.

**Example:**



two frozen  
concentrate



one frozen concentrate /  
one 46-48 oz can or bottle,  
single strength

6. **Not allowed:** For any type juice (frozen concentrate or single strength): cocktails, fruit or juice drinks, ades, fruit/vegetable blends or blended juices other than noted in the Approved Food List. Calcium fortified allowed **only** if specified on WIC Check.

## **Appendix A: Scenarios for Training Cashiers**

### **Scenario #1: I Know It's Here Somewhere**

Tanya, who's been one of your reliable cashiers for years, looks up to see LaShona in her line. LaShona has been here dozens of times to use WIC Checks for her baby. Today she seems really stressed out. She has a WIC Check with her, but can't seem to find her yellow WIC ID Folder anywhere in her purse. Tanya knows LaShona – their sons play softball together. Tanya also knows that LaShona wouldn't do anything that she shouldn't do. What does Tanya do?

#### **Discussion Questions:**

- Is it necessary to see the WIC ID Folder every time a participant uses a WIC Check? Why or why not?
- Can cashiers decide which participants have to show their folders – for example, people they don't know or people who don't look like they would qualify for the WIC program?
- Can a participant bring the folder later in the day for the cashier/manager to look at?
- Should the cashier call the manager and have the manager call the Local Health Unit to see if they can go ahead and accept the check? Or should the cashier ask to see a driver's license?

### **Scenario #2: The Missing Meat**

Carissa is at the store to pick up her daughter's WIC supplemental foods. She has picked up all of her items – infant vegetables and fruits, infant cereal, infant meats, and juice. When she gets to the register, she is one jar short of the infant meat. A quick check of the shelf shows that she has picked up the last jar. What happens next?

#### **Discussion Questions:**

- Can Carissa come back later to pick up the one jar of infant meat when your shipment comes in and complete the transaction?
- Can Carissa get one more jar of vegetables to substitute for the infant baby meat? Why or why not?
- Can Carissa voluntarily agree to take less than the number of jars listed on her check?
- What should the cashier do at this point?

### **Scenario #3: Problem Pattie**

Today I had another run-in with “Problem” Pattie. She always complains about the type of milk she has to buy and refuses to get the cereal that is listed on her check. Today she brought up whole milk and Sugar Smacks along with the other foods listed on her check. When I told her that she would need to select one of the approved cereals on the food list and one of the milk types on her WIC Check, she started yelling and telling me that the store down the street always lets her get what she wants. She left everything on the belt and stormed out of the store, shouting profanities.

#### **Discussion Questions:**

- Does it really matter what type of milk or cereal a participant selects as long as it is not more expensive than the type indicated on the food list or WIC Check?
- What should a cashier do when a participant doesn't want something listed on their check?
- What should cashiers and managers do when a participant uses abusive language or threatening actions?
- What could happen if a store sells unauthorized items or does not sell all of the items on a WIC Check?

### **Scenario #4: Juice Jumble**

Maria gave her WIC Check to the cashier. One of the items listed on the WIC Check is two (2) units of 11-12 oz frozen or 46-48 oz can/bottle single strength juice. Maria brings to the register one (1) 64 oz bottle of V-8 juice and one (1) 12 oz can of frozen store brand orange juice. Has Maria selected the correct items?

#### **Discussion Questions:**

- Can a participant get one (1) 64 oz container of juice instead of two (2) 46-48 oz containers if the flavor the participant wants is not available in the 46-48 oz container?
- Isn't the participant who chooses two (2) bottles of 46-48 oz single strength juice getting more juice than the participant who selects two (2) 11-12 oz cans of frozen concentrate? Does the cashier need to add up the ounces of the containers to determine if the participant has selected the correct mix of containers?
- Can Maria get calcium fortified orange juice?

### **Scenario #5: Got Milk?**

Wanda presents her WIC Check which indicates that she is to purchase two (2) gallons and one (1) half-gallon of skim or 1% milk. The store only has its store brand (which is the least expensive today) in gallons; the store brand is not bottled in half-gallons. She has picked up a half gallon container of another brand, which everyone knows is a more expensive brand of milk than the store brand. Larry, the cashier, tells Wanda that she can't get the half-gallon because it is too expensive. He tells her that she can get 6 cans of evaporated milk instead – it's the same thing after you add water.

#### **Discussion Questions:**

- Are participants required to purchase different size containers of milk – gallon, half-gallon, and quart – of the same brand?
- Can a cashier or manager decide what brand of milk the participant selects?
- Can evaporated milk or powdered milk be substituted for any of the containers of fresh milk on the WIC Check?

### **Scenario #6: Shopping with Cash Value Benefits (CVBs)**

James is shopping for his grandson's WIC approved food items. He's used WIC Checks before, but this is the first time he is using the Cash Value Benefit. Today he has two WIC Checks and one Cash Value Benefit (\$8). He brings to the register all of the milk, juice, cereal, bread and eggs that are listed on the WIC Checks as well as some bananas, pre-bagged salad, hash browns, and frozen corn.

#### **Discussion Questions:**

- Are there any items that James is going to have to put back/substitute? Which one(s)?
- How many transactions will the cashier need to process? Which ones?
- What happens if the purchase price of the items James wants to purchase with the CVB is greater than the maximum value of \$8 printed on the CVB?
- Can you combine fresh and frozen fruits and vegetables in the same transaction? What if the pre-bagged salad contains a packet of croutons?

## **Answers to Scenarios**

### **Scenario 1**

1. Yes. The WIC ID Folder is the only identification required and ensures the WIC Check or CVB is being redeemed by the authorized representative or proxy.
2. No. Everyone must present the WIC ID Folder at the time of purchase.
3. No. The WIC ID Folder must be available at the time of the purchase in order to verify the signature. Failure to do so is a violation of Section II, #1, Vendor Participation Agreement.
4. No. Vendors may not ask for any form of ID other than the WIC ID Folder.

### **Scenario 2**

1. No. No rain checks or due bills.
2. No. The participant must purchase only the food types and amounts listed.
3. No. The participant must purchase the full quantity and types of food listed on the check. If the participant wants to adjust their food package, they must do so through the Local Health Unit.
4. The cashier should inform the participant that they do not have the required stock and cannot complete the transaction. The participant will need to go to another vendor or check back with the store later to see if adequate stock has arrived.

### **Scenario 3**

1. Yes, it does matter. Food items are prescribed to address specific nutritional needs of each participant.
2. Inform that participant that the store cannot vary the purchase from what is written on the WIC Check. If the participant wishes to make changes, they must do so at the Local Health Unit.
3. Get as much information as possible – name of person committing abuse, check number, WIC ID number etc. and report it immediately to the regional Food Delivery Liaison.
4. On the first violation, the vendor will receive a warning letter and the second and each subsequent violation, will receive two (2) sanction points.

### **Scenario 4**

1. No. The participant must purchase only the container size(s) indicated on the check.
2. No. The reconstituted amounts in these different containers are the same.
3. Yes, but only if “calcium fortified” is written on the WIC Check.

### **Scenario 5**

1. No. They are required to purchase the type indicated on the check in the least expensive brand in the container type, which may not be the same brand as the other container sizes.
2. No. It just must be the least expensive at the time of purchase for the variety and the type of container.
3. No. Evaporated or powdered milk must be specifically indicated on the WIC Check.

**Scenario 6**

1. Yes. Hash browns. Any form of white potatoes is not allowed.
2. Three (3). Two WIC Check transactions and one (1) CVB transaction.
3. First, he is asked if he would like to put something back or if he would like to pay the excess. If he wants to pay the excess, the cashier asks him what type of tender he wishes to use. The cashier enters the face value on the CVB (for example, \$8; **NOT** the full amount of the transaction) and receives from James the remaining amount due, including tax on the excess amount, using any of the following: cash, debit card, credit card, check, or SNAP EBT (no tax on SNAP EBT). If the participant pays for the excess, they may receive a receipt for the transaction.
4. Yes. Pre-bagged salad or cut-up fruit are allowable as long as the container has no other ingredients such as dip, croutons, sugar, etc.

## **Appendix B: Post-Training Sample Test**

1. Least expensive brand at time of purchase applies to which of the following types of food? (Circle all that apply)  

Juice	Peanut Butter	Cheese	Milk	Eggs
-------	---------------	--------	------	------
2. If a WIC food item listed on the Arkansas WIC Approved Food List shows as “not in our system” when scanned, the participant cannot receive the food item.  

True	False
------	-------
3. The cashier should record the Amount of Sale in blue or black ink on the WIC Check or CVB at time of the transaction before obtaining the participant’s signature.  

True	False
------	-------
4. The WIC ID Folder (yellow) is not required each time a participant redeems a WIC Check or CVB.  

True	False
------	-------
5. If your store is out of the least expensive brand gallon/half-gallon/quart of milk, the participant can receive the next least expensive brand of milk.  

True	False
------	-------
6. If the cashier fails to get the participant’s signature on the WIC Check, the vendor should call the Local Health Unit.  

True	False
------	-------
7. Abusive WIC participants, authorized representatives, and proxies should be reported to the WIC Program.  

True	False
------	-------
8. All brands of formula listed on the WIC Check are WIC approved.  

True	False
------	-------
9. Since oatmeal is listed in both the whole grain category and the cereal category, participants may choose any of the brands listed for either category.  

True	False
------	-------
10. Four (4) half-gallon containers of milk can be given to the participant if the vendor is out of gallon containers even though the WIC check indicates two (2) gallons.  

True	False
------	-------



11. A pre-packaged container of cut-up fruit (with no dip or sugar added) is an allowable Cash Value Benefit purchase.

True                      False

12. If a WIC ID folder is not signed by the Authorized Representative or proxy, it is OK to let them sign it in the store as long as they sign before the cashier enters the amount of sale on the WIC Check/CVB.

True                      False

13. It is OK to substitute the formula written on the check, if the store is out, with another WIC approved formula that is available.

True                      False

14. If a check has the participant's signature missing from the signature line on the front, lower right-hand corner of the check but is signed on the back, you can send it to the WIC State Office for processing.

True                      False

15. If frozen concentrate and single strength juice are listed on the same line on the WIC Check, the participant may choose any combination of container types if receiving 2 or more units.

True                      False

16. The vendor has 90 days from the date of the transaction to submit a check for payment or review.

True                      False

17. If a participant wishes to purchase \$9.59 worth of vegetables with a \$8.00 Cash Value Benefit, they can, but they must pay the difference in cash.

True                      False

18. A participant can now combine several WIC Checks in a single transaction as long as the checks are for individuals all living in the same household.

True                      False

19. Vendors are not required to put their vendor stamp on Cash Value Benefit checks.

True                      False

**Post-Training Sample Test Answers**

- |                              |           |
|------------------------------|-----------|
| 1. juice, cheese, milk, eggs | 11. True  |
| 2. False                     | 12. False |
| 3. True                      | 13. False |
| 4. False                     | 14. True  |
| 5. True                      | 15. True  |
| 6. False                     | 16. False |
| 7. True                      | 17. False |
| 8. True                      | 18. False |
| 9. False                     | 19. False |
| 10. False                    |           |

## **Appendix C: Arkansas WIC Program Contact Information**

### **State Office**

Telephone: (501) 661-2508; fax (501) 661-2004  
Address: 5800 W. 10<sup>th</sup> Street, Suite 810, Little Rock, AR 72204  
Website: [www.healthyarkansas.com/wic](http://www.healthyarkansas.com/wic)

Pamela Woodard George, Manager, Food Delivery Section

[pamela.woodardgeorge@arkansas.gov](mailto:pamela.woodardgeorge@arkansas.gov)

**Contact for:** policy, vendor agreements, waivers, administrative reviews, new vendor applications and authorizations

Vacant, Health Program Specialist, Vendor Financial Information Management

**Contact for:** financial information, vendor payment/review/questions, banking/WIC Check and CVB issues, shelf price survey, vendor EBT readiness

Doris Allen, Health Program Specialist, Vendor Education and Compliance

[doris.allen@arkansas.gov](mailto:doris.allen@arkansas.gov)

**Contact for:** vendor education, compliance, violations /sanctions, minimum stock information, WIC approved foods, vendor monitoring, vendor training materials

Vacant: Health Program Specialist, Administration

**Contact for:** peer group management, compliance with cost containment, claims/invoices, complaint resolution, GIS and section level EBT readiness

Angie Mack, Administrative Assistant

[angelia.paynemack@arkansas.gov](mailto:angelia.paynemack@arkansas.gov)

**Contact for:** address and e-mail changes, mailings, WIC Flash distribution, vendor advisory committee, vendor supplies (food lists, shelf tags, replacement stamps/ink pads, etc.)

## **Regional Staff**

**Contact your regional staff person for:** general questions and support, monitoring and educational visits, vendor training, shelf talkers/signs/food lists, minimum stock review, complaint resolution

### **Northeast Region**

Vacant

E-Mail:

Telephone:

Address:

### **North Central Region**

Karen Lee, Food Delivery Liaison

E-Mail: [Karen.Lee@arkansas.gov](mailto:Karen.Lee@arkansas.gov)

Telephone: (501) 837-7070 cell; (501) 745-2485 office; fax (501) 745-2435

Address: 526 Quality Drive, Clinton, AR 72031

### **Northwest Region**

Brenda Davis, Food Delivery Liaison

E-Mail: [brenda.davis@arkansas.gov](mailto:brenda.davis@arkansas.gov)

Telephone: (479) 422-2041 cell; (479) 444-7700 ext. 213; fax (479) 444-7189

Address: 27 West Township, Fayetteville, AR 72703

### **Southwest Region**

Leonard Green II, Food Delivery Liaison

E-Mail: [leonard.green@arkansas.gov](mailto:leonard.green@arkansas.gov)

Telephone: (870) 648-9333 cell; (870) 773-2108 ext. 251; fax (870) 773-7252

Address: 503 Walnut, Texarkana, AR 71854

### **Southeast Region**

Christine Watts, Food Delivery Liaison

E-Mail: [paula.watts@arkansas.gov](mailto:paula.watts@arkansas.gov)

Telephone: (870) 589-3797 cell; (870) 734-1461 office; fax (870) 734-1466

Address: 306 West King Dr., Brinkley, AR 72021

### **Central Region**

Brian Musick, Food Delivery Liaison

E-Mail: [brian.musick@arkansas.gov](mailto:brian.musick@arkansas.gov)

Telephone: (501) 786-6111 cell; (501) 280-4953 office; fax (501) 280-4999

Address: 5800 W. 10<sup>th</sup> Street, Suite 907, Little Rock, AR 72204

**Appendix D: Arkansas WIC Approved Food List – Herbs/Other  
Items Not Allowed for Purchase with the Cash Value Benefit  
(CVB)**

These are NOT Arkansas WIC approved for the CVB purchases:

Aloe  
Anise  
Basil  
Bay leaves  
Caraway  
Chervil  
Chives  
Cilantro  
Dill  
Fenugreek  
Ginger  
Hierbauena  
Horseradish  
Jamaica hibiscus  
Lemon grass  
Marjoram  
Mint  
Oregano  
Parsley  
Rosemary  
Sage  
Savory  
Sugar cane  
Tarragon  
Thyme  
Vanilla bean  
Yucca root

## **Appendix E: Arkansas WIC Approved Food List (valid until 10/1/16)**

Go to the following web page to download the current WIC Approved Food List (in English and Spanish)

<http://www.healthy.arkansas.gov/programsServices/WIC/Pages/VendorManagement.aspx>